

SEP 15 1945

The
American Journal of
ECONOMICS
and
SOCIOLOGY

British Postwar Planning— <i>Mary E. Murphy</i>	421
Financing Social Insurance— <i>Harry Gunnison Brown</i>	440
Occupational Trends and Postwar Policy— <i>F. T. Carlton</i>	441
Boom or Depression Ahead?— <i>Alvin Johnson</i>	448
Mediation in Cultural Perspective— <i>H. S. Fries</i>	449
Taxation According to "Ability to Pay"— <i>H. G. Brown</i>	461
Institute for Central-Eastern Europe— <i>Will Lissner</i>	478
The Decline of Civilizations— <i>Francis Neilson</i>	479
The Rising Tide of Xenophobia— <i>A. Johnson</i>	498
The Record of Subsistence Homesteads— <i>T. S. Harding</i>	499
Urban Tax Reform in New York— <i>Lawson Purdy</i>	505
In Memoriam: Helen Swift Neilson; Walter Fairchild	511
The Problems of Sovereignty and of Minorities— <i>Leo Jung</i>	515
Progress in Amazon Development— <i>Harold B. Gotaas</i>	529
Henry George: Return to England— <i>Anna George de Mille</i>	537
Europe's Democratic Future— <i>Cordell Hull</i>	542
Effects of Public Housing (Review)— <i>Harold S. Buttenheim</i>	543
Sober Thinking on Money (Review)— <i>Roy A. Foulke</i>	545
Goals for Christian Progressives (Review)— <i>P. K. Sheldon</i>	547
Jewish Population Studies (Review)— <i>Paul Ucker</i>	549
Contributors	559

VOLUME 4

JULY, 1945

NUMBER 4

Published QUARTERLY under grant from the ROBERT SCHALKENBACH FOUNDATION
in the interest of constructive synthesis in the social sciences.

The AMERICAN JOURNAL of ECONOMICS and SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach Foundation in the interest of constructive synthesis in the social sciences.

WILL LISSNER
Editor

BOARD OF EDITORS

†FRANZ OPPENHEIMER Hollywood, Calif.	JOHN ISE University of Kansas	HAROLD HOTELLING Columbia University
GLENN E. HOOVER Mills College		GEORGE RAYMOND GEIGER Antioch College
RAYMOND E. CRIST P.R. Inst. of Trop. Agri.	HARRY GUNNISON BROWN University of Missouri	MORTIMER J. ADLER University of Chicago
WALLACE KIBBEE Typographical Designer		WILLIAM H. QUASHA Counsel

EDITORIAL ADVISORY BOARD

HAROLD S. BUTTENHEIM New York	JOSEPH S. ROUCEK, PH.D., New York	LOUIS WALLIS New York
PHYLLIS EVANS, M. A. Chicago	PHILIP H. CORNICK New York	JOHN DEWEY, LL.D. New York
†WALTER FAIRCHILD, LL.B. New York	ROY A. FOULKE, M.A. New York	LANCASTER M. GREENE New York
L. G. LIGUTTI, LL.D. Des Moines	GROVER C. LOUD, M.A. New York	ADOLPH LOWE, DR. JUR. New York
DONALD A. MACLEAN, PH.D. Washington	FRANCIS NEILSON, LL.D. Chicago	LAWSON PURDY, LL.D. New York

THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY, INC. (a non-profit membership corporation) publisher.

O. K. DORN President	CHARLES JOHNSON POST Vice President	ALBERT PLEYDELL Vice President
V. G. PETERSON Secretary-Treasurer		

W. LISSNER, G. R. GEIGER, H. G. BROWN, O. K. DORN, C. J. POST,
A. PLEYDELL, directors

THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY is published quarterly, in October, January, April and July. Published at North Queen Street and McGovern Avenue, Lancaster, Pennsylvania. Executive offices, 50 East Sixty-ninth Street, New York 21. Subscription, \$3.00 a year. Single copies, \$1.00. Checks payable to the American Journal of Economics and Sociology, Inc. Correspondence concerning contributions should be addressed to the editor at the Journal's offices. Correspondence concerning subscriptions and other business matters should be addressed to the secretary at the Journal's offices. The editor and the members of the board of editors do not necessarily endorse opinions and statements in signed contributions, and are not necessarily in agreement with any contributions whose publication they recommend. The members of the editorial advisory board do not necessarily endorse the Journal's orientation. Entered as second class matter at the post office at Lancaster, Pa., under the Act of Congress of March 3, 1879. Registration of title in the U. S. Patent Office pending.

Copyright, 1945, by the American Journal of Economics and Sociology, Inc.

The AMERICAN JOURNAL of ECONOMICS and SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach Foundation in the interest of constructive synthesis in the social sciences.

VOL. 4

JULY, 1945

No. 4

British Postwar Planning

By MARY E. MURPHY

FEW AMERICANS APPRECIATE the scope of British attempts to envisage and plan for a better nation after victory as discussion of these efforts has been scattered and incomplete. Within the limits of the present paper I shall try to correct this deficiency. An awareness of what the British are trying to do may stimulate thought in the United States on the vital and complex task of preparing our people for the responsibilities and opportunities inherent in peace.

Although Winston Churchill summed up Britain's post-war program in three words, "work, food and houses," swift, definite answers to the issues involved are difficult to discover. A satisfactory rehousing program, for instance, cannot be evolved overnight; the supply of food is complicated by the entangling agreements and pledges between British farmers, foreign suppliers, Ottawa Agreement nations and Lend-Lease countries; and the provision of work rests upon favorable conditions of national and international finance and trade.

Dislocation of the British economy has reached previously unknown proportions, making necessary the continuance of certain controls over money, prices and commodities for at

least the initial period of peace. Parliamentary leaders continue to emphasize the need of restoring economic equilibrium between pent-up demand and short supplies, between the distorted structure of wartime industry and peacetime requirements, between the distribution of war debts and the continuance of peacetime trade. At the same time they are well aware that a sound economic policy must rest upon, and be reinforced by, a sound political philosophy if a lasting peace is to be attained. By studies of Government Committees, and encouragement of unofficial research by business companies, trade unions, social scientists and the press, Britain is hoping to strengthen her economic front and thus lay the foundation for a strong country both inside internal boundaries and in the international company of the United Nations.

The Co-ordination of Planning

IN NOVEMBER 1943 the British Government appointed a Minister of Reconstruction to co-ordinate postwar planning of all Departments but not to initiate or execute individual projects. Twelve months later it had carried through the House of Commons a measure reshaping the whole educational system of the country, outlined a comprehensive national health service, a social insurance plan and an industrial injury compensation scheme, prepared a bill covering the future use of land, offered a program to demobilize, re-educate, rehabilitate and resettle military personnel, and developed an integrated employment policy. Rarely, if ever, have such widespread economic and social changes been contemplated in the brief space of a year; in fact, it may be seriously questioned whether such devices could have been brought forward by the efforts of a Party Government.

Many of the British plans for peacetime, as for example those concerning improved social security, education and health, represent the culmination of a process which began

long before this conflict. Some of them, however, such as the physical reconstruction of towns and countryside and the proposals to avoid mass unemployment, emanate directly from war conditions. In considering all of the suggested programs Parliament has to estimate how the national balance sheet will appear when peace comes, and what amount of national income can be counted upon for the immediate postwar rehabilitation of factories, shipping, and insurance and financial services in view of markets which have gone to friendly rivals and of external commitments to the Allies.

In terms of postwar timing, plans for demobilization have received a position of primary importance. During the interim period between the defeat of Germany and that of Japan, manpower must be allocated between the forces and industry and compulsory recruitment continued.¹ Two separate methods of selecting men for return from the forces are being followed. Those chosen according to age and length of service form Class A, with men of fifty years or over treated as a single priority class to be released, if they wish, before other individuals. The combination of age and length of service is on the basis of two months of service equaling one additional year of age. On this basis, for example, a man of twenty-two with four years' service is in the same release group as a man of forty with one year's service. Individuals forming Class B are those identified as belonging to particular occupational classes specified by the Minister of Labor as required for urgent reconstruction work. In addition, Class B includes a limited number of specialists for whose transfer application may be made through government departments. The transfers in this class were expected to be small in proportion to those in Class A, and they were not to begin until releases in Class B had been initiated. To increase the releases in Class A, and compensate for transfers

¹ *Plans for Reallocation of Manpower between the Defeat of Germany and the Defeat of Japan*, Cmd. 6548, 1944.

in Class B, numbers of young men, at present deferred, especially in the munitions industries, were to be called up for the forces.

Individuals in the first group, upon release, were to be given eight weeks' leave with full pay, ration allowances and, where applicable, family allowance, dependents' allowance and war service grant. At the expiration of this leave they were to be placed in a special class of reserve from which they will be called only in extreme emergency. They will be permitted to exercise their reinstatement rights and return to their former employment or will be provided with every assistance to find new work. Those in Group B, on transfer, receive three weeks' leave with full pay and allowances as for Class A, and then are directed to reconstruction employment, thus preserving their reinstatement rights, although they will be liable to be recalled individually to the forces if they discontinue vital work. In addition to the service leave payments given on release to Class A to assist in resettlement, or given on transfer to Class B, the Government will introduce a scheme of war gratuities for prolonged service or activity in the Far Eastern theater of operations.² Arrangements for release and transfer from the forces, just described, also apply to women with the exception that married women have priority over all others if they so desire. Although the Government has announced its intention of meeting, as far as possible, the desire of workers to return to their homes and to seek work wherever they wish, and of employers to engage personnel freely, it emphasized that war controls will be relaxed only when circumstances permit and at all times in an orderly manner.

Rehabilitation of the Disabled

THE REHABILITATION AND RESETTLEMENT of disabled persons was considered by the Tomlinson Committee, which

² *Additional Financial Benefits for the Forces*, Cmd. 6553, 1944.

recommended that all incapacitated individuals, whether injured by war service or any other cause, should be registered and provided with medical care and vocational training.³ The committee also proposed that a restriction be placed upon the engagement of non-disabled persons by any employer who is using less than a prescribed quota of registered disabled individuals. All these recommendations were incorporated in an Act which specifically states that employers with more than twenty-five workers must employ a certain quota of disabled persons, and that other incapacitated individuals, unable to work under normal factory conditions, must be used in sheltered occupations partially or entirely subsidized by the State.⁴

A separate Parliamentary Bill imposes an obligation on all employers to reinstate former workers serving in the armed forces or in civil defense.⁵ The applicant is to be reinstated in the occupation in which he was employed before the inception of his war service, and on terms and conditions not less favorable than those which he would have enjoyed in that occupation had he not joined the forces. If this is not possible the employer must reinstate him in the most favorable occupation and on the most favorable terms and conditions which are reasonable and practicable. Resettlement offices, set up by the Ministry of Labor, offer advice to men and women released from war service on matters relating to their return to civilian life, and financial assistance is provided to enable qualified persons, on demobilization, to undertake the further education or training which their war service interrupted or prevented. This Ministry, which planned the mobilization of labor for war, will play an equally important rôle, through a new annual manpower budget, in mobilizing workers for peace.

³ Report on Committee on the Rehabilitation and Resettlement of Disabled Persons, Cmd. 6415, 1943.

⁴ Disabled Persons (Employment) Act, Ch. 10, 1944.

⁵ Reinforcement in Civil Employment Act, Ch. 15, 1944.

At the conclusion of hostilities, the legislative measures enacted to regulate wages, to require compulsory arbitration of disputes, and to prevent strikes and lockouts will expire, ending, in fact, at the very time when production will be in a state of transition. The Wages Council Bill, now before Parliament, proposes to create new official machinery for establishing statutory minimum wages wherever the voluntary machinery is not adequate, and to continue for five years after the wartime emergency the provision whereby all employers (in industries not affected by minimum wage regulations) are obliged to observe conditions and terms of employment not less favorable than those obtained by collective bargaining. This revolutionary measure, which will affect 15,000,000 workers, should safeguard industrial peace, defend good working standards against undercutting, and protect the purchasing power represented by wages.

Reconversion of Industry

THE RECONVERSION of British industry is not being planned on a large blueprint. Instead, the Government is requesting each field to state its needs so they may be dealt with on the basis of priorities. As the successful reconversion of industry, and the revival and expansion of the export trades are prerequisites of Britain's postwar prosperity, they merit further study. Official statements lack sufficient insight into the gravity of the situation caused by the tremendous loss of overseas investments and markets. They fail to propose any concrete way of increasing British exports by at least 50 per cent over their pre-war level, which means a 300 per cent rise above 1943 figures. Government surplus stores are supposed to be released at a rate which, while fast enough to clear factory and storage space, will avoid upsetting production and flooding markets.⁶ These stocks will be dis-

⁶ *Disposal of Government Surplus Stores*, Cmd. 6539, 1944.

tributed through traders or manufacturers who normally handle such articles, and their prices to the final consumer are intended to be reasonable. War factories will be leased to private companies for a period of ten years with the Government committee pledged to observance of the requirements of town and country planning, and to weighing factors governing the location of industry, development of former depressed areas, reconstruction and expansion of industries essential to the export trade, and introduction of the most efficient methods.

These problems, from both the short and long-term aspect, are dealt with in a Government document governing postwar employment policy.⁷ Representing a practical expression of expansionist policy, the White Paper argues that the State must assume responsibility in the future for maintaining outlay, with the budget determined by the employment situation rather than by fiscal considerations. In pursuit of this program, the Government, it is contended, will avoid an unfavorable foreign balance by increasing the volume of exports beyond the level achieved before this war, limit dangerous swings in expenditure on private investment, plan the timing and volume of public investment so as to offset unavoidable fluctuations in private investment, and check and reverse the decline in expenditure on consumers' goods which normally follows a reduction in private investment.

The plan for full employment is based on an entirely new State policy, namely, that a slump should not be solved by "cuts" in expenditure or by remedial "pump-priming" but by ascertaining, in advance, that consumer expenditure can be maintained. Prosperity and social progress, in its opinion, cannot be attained by allowing blind economic forces to work themselves out in booms and slumps, with inevitable hardship, restrictions on production and mass unemployment, but by

⁷ *Employment Policy*, Cmd. 6527, 1944.

maintaining the productive machine at full capacity and raising the standard of living of the whole world. The White Paper, also, proposes a break with the artificial restriction imposed by yearly budgeting which sets too narrow a limit to a nation's planning, recognizing that the wealth of a country and its material well-being ultimately rest on the total values which the population produces and which can be used at home or abroad. It will involve the State in many new tasks of supervision, assistance and control; yet it is intended to maintain efficient standards of enterprise by private management and labor.

Development of Social Security

ALL BRITISH POSTWAR PLANS accept the premise that only a healthy, intelligent and progressive people can be an efficient people. This approach was first apparent in the Beveridge Report which recommended that, in return for a single weekly social security payment by every worker, unemployment benefits, children's allowances, workmen's compensation, and widowhood and burial payments would be provided.⁸ The prime merit of the Report is that, wherever possible, it places a premium on work. It also envisages important changes in the theory and administration of social security although it retains the contributory principle of sharing the cost between the employer, the worker and the State.

A notable chapter in the history of British social insurance, which has grown steadily in scope and thoroughness since the National Insurance Act became law in 1911, was rounded off by the announcement of a new Government scheme which extends compulsory insurance to the entire population.⁹ In addition to providing for sickness and unemployment bene-

⁸ Sir William Beveridge's Report on Social Insurance and Allied Services, Cmd. 6404, 1942.

⁹ Social Insurance, Part I, Cmd. 6550, 1944.

fits, retirement pensions, maternity grants and benefit, widows' benefit and pensions, industrial injury insurance and death grants, the Government plan also includes family allowances, to be paid for wholly from taxes, and orphans' allowances, to be paid for partly from taxes and partly from insurance funds. Of the other insurance services, with the exception of unemployment benefit, five-sixths of the cost will be met from the contributions of the insured.

A strong similarity is apparent between the Government proposals for social insurance and the Beveridge plan. The former adopt the universality of insurance suggested by Beveridge, abolishing all income limits and all special schemes, and bringing into the plan persons other than those working for wages. The Government scheme classifies the population in six main groups in exactly the same manner as proposed by Beveridge. It provides children's allowances, as he did, omitting the first child; it accepts the fundamental change of principle regarding pensions to make them conditional upon retirement from work rather than old age pensions; it accepts the further recommendations of the Report that persons should be able to earn a larger pension by continuing work after the minimum age of retirement of 65 for men or 60 for women; it adopts the death grant and provision for the needs of housewives much on the lines of the Report; and it proposes, as did Beveridge, to establish a Ministry of Social Insurance.

The Government and the Beveridge recommendations for social insurance differ, however, on details of contribution and benefit. For insured persons who fall ill or become unemployed both schemes afford the same payments, the equivalent of \$4.80 per week for a single person and \$8 for a married man. But here the plans diverge. The Beveridge scheme states that such payments should be guaranteed indefinitely on the ground that it is contrary to public policy

to permit anyone to fall below the line of poverty. The Government, rejecting this philosophy, makes payments of limited duration with supplementary relief obtainable from the Assistance Board. The greatest difference in the two plans, however, is that the Government, in fixing its rates of benefit and children's allowances, abandons the attempt to base them on subsistence and to make them enough in themselves to abolish want. Forthcoming debates in Parliament will center upon the merits of the two schemes with the greatest criticism of the Government plan probably directed to its failure to relate benefits to the cost of living. As a Bill to create a Ministry of National Insurance has recently been passed, a measure dealing with family allowances will next be prepared, although the plan will not come into effect until after the war. Finally, a single comprehensive Act, inevitably of great complexity, will be offered to cover all insurance proposals.¹⁰

Nationalization of Workmen's Compensation

COMPENSATION TO WORKMEN for industrial injuries, introduced in 1897, represents a liability imposed by law upon employers. Although there was no legal requirement that the employer insure against this risk, except in the coal industry, he usually was covered by a policy. A new Government plan proposes that henceforth workmen's compensation for disablement or death through industrial injury shall be a social service and a separate branch of the social insurance plan, covering all employed persons irrespective of whether they are doing manual work.¹¹ It will apply to personal injury by accident arising out of and in the course of employment, and will cover certain industrial diseases. All benefits will be paid out of a central fund and will not fall specifically on the individual employer as five-sixths of the

¹⁰ *Ministry of National Insurance Act*, Ch. 46, 1944.

¹¹ *Social Insurance*, Part II, Cmd. 6551, 1944.

total cost will be met by equal weekly contributions by the employer and the worker and one-sixth by the Government. The new scheme involves a radical alteration in basic principles as follows: first, benefits are to be paid at flat rates with supplements according to family responsibilities; second, the plan brings workmen's compensation under social insurance; and, third, the new system is similar in principle to that of war pension claims as it recognizes a certain similarity between the position of a soldier wounded in battle and a worker injured in the course of productive employment for the community.

The great program for social insurance, described in the preceding paragraphs, will be financed almost entirely by a redistribution of the national income, and the effects of this redistribution on the nation's economic life cannot help but be drastic. The standard of living and of the social services, therefore, will depend on the efficiency of British industry, with this efficiency, in turn, requiring the rapid accumulation and maximum use of capital resources.

Accepting one basic assumption of the Beveridge Report, a national health service, the Government has offered detailed proposals for an entirely new postwar medical and dental service, making available to all citizens the benefits of the best care.¹² The object of the new plan is to build up a complete medical service not by introducing an entirely novel structure but by connecting existing services, and adapting, increasing and incorporating them in the larger organization. Under the existing national health insurance scheme, the care of a family doctor, medicine and certain appliances are offered free of charge to wage-earners and to salaried employees receiving less than \$1,680 a year, but not to their wives and children. The new service, in contrast, covers every person and includes all branches of medical and allied activity, from the care of minor ailments to major medicine and surgery,

¹² *A National Health Service*, Cmd. 6502, 1944.

with the patient permitted to select his own medical adviser. Responsibility for administration of the scheme is placed upon the Ministry of Health and, of the total cost, 27 per cent will be borne on the contributory system, leaving 36.6 per cent to be covered by national taxes and 36.4 per cent by local revenues.

The new plan, an ingenious compromise between existing medical services and an all-out Government scheme, divorces the care of health from questions of personal means and other factors relevant to it, with emphasis upon maintenance of good health rather than upon treatment of poor health. It is recognized by the Government, too, that good health involves good housing, sanitation and conditions in school and at work as well as proper diets, nutrition and economic security. All these are fundamental to the medical plan, and they will receive proper places in the wider pattern of Government policy.

Revision of Compulsory Education

RECOGNIZING THAT THE BRITISH people must have the benefits of education, as well as of health, an Education Bill, which came into effect on April 1 of this year, has been enacted.¹³ This revolutionary measure revises the whole system of compulsory education, provides nursery schools and special institutions for the handicapped, raises the school-leaving age to 15 and later to 16 years, extends technical and vocational training, proposes part-time education for young people from fifteen to eighteen years, and elevates the Board of Education to the status of a Ministry. Government Committees have also considered the recruitment and training of teachers, the curricula and examinations of secondary schools, and the extension of the association between public schools and the general educational system.¹⁴

¹³ *Education Bill*, Ch. 31, 1944.

¹⁴ Board of Education, 27-260, 1944; Board of Education, 27-257, 1943; and Board of Education, 27-261, 1944.

In the wide issue of physical rebuilding the Government has announced its intention of controlling the location of industry, and utilizing the land in the public interest by ensuring proper development, especially of blitzed and blighted areas. Three basic reports on land use have been published by official committees. The first, issued by the Barlow Commission, recommended the creation of a Central Planning Authority of national scope and character, the redevelopment of congested urban areas and the dispersal of industries and workers from such areas, the encouragement of a reasonable balance of industrial development throughout the various regions of Britain, and the suitable diversification of industry within each region.¹⁵ This Report marked a turning point in the evolution of British planning as it introduced the conception of planning from a national standpoint whereas the system provided by the Town and Country Planning Act of 1932, and its forerunners, had been essentially one of local planning, based on the initiative and financial resources of local authorities. The Government accepted the principle of national planning, and implemented it by establishing a Ministry of Town and Country Planning to be charged with the duty of securing consistency and continuity in the outline and execution of a national policy with respect to the use and development of land in England and Wales.¹⁶ The Secretary of State for Scotland became responsible for the same duties in his country.

The Scott Committee, in turn, proposed measures for the revivification of country areas embracing improvement of rural housing, extension of water supply and electrical services, and recommendations to promote general rural well-being.¹⁷

¹⁵ Royal Commission on the Distribution of the Industrial Population, Cmd. 6153, 1940.

¹⁶ Ministry of Town and Country Planning Act, Ch. 5, 1943.

¹⁷ Committee on Land Utilization in Rural Areas, Cmd. 6378, 1942.

In its final report the Uthwatt Committee recommended that a price ceiling for the public acquisition or control of land be based on values at March 31, 1939, that interim control of development be established to prevent work being accomplished which might prejudice reconstruction, that depressed areas be replanned as a whole, that the rights of development in all land outside developed areas be immediately vested in the State on payment of fair compensation, and that a periodic levy be made on increases in annual site values.¹⁸ For developed land the Committee proposed that the planning authority should be given the power to purchase compulsorily the whole of war-damaged or other reconstruction areas as well as other land to provide accommodations for persons displaced.

Extension of Land Use Planning

THE TOWN AND COUNTRY Planning Bill gives substantial effect to the Uthwatt Committee's recommendations for the redevelopment of reconstruction areas as well as to other proposals, including a reserve power for the planning authority to carry out development if it cannot be otherwise secured and limiting the disposal of land acquired, in ordinary areas, to the grant of leases. The primary object of the measure is to provide for the replanning and redevelopment of town areas which need to be handled as a whole, either because of extensive war damage or because of bad layout and obsolete development. Differentiating between areas of extensive war damage and those of bad layout, the Bill treats the first as a relatively short-term and urgent program, and the second as a long-term and continuing issue. The former may be designated on application by the local planning authority within five years from the passing of the Act; thereafter the local authority will possess the power to purchase the whole,

¹⁸ *Expert Committee on Compensation and Betterment*, Cmd. 6386, 1942.

or any part of the area. The latter will not be designated in its entirety, but the local authority will be able to purchase the land it is ready to redevelop.

The Government has accepted in principle, therefore, the recommendations of the Uthwatt Committee regarding public acquisition of land in areas requiring redevelopment as a whole but has rejected detailed proposals for dealing with the problems of compensation and betterment.¹⁹ Its alternative proposals rest on the premise that correct development can only be secured, and wrong development prevented, if there is complete control of any changes in the use of land. Whenever permission is granted to develop or redevelop land for a different use, owners will be subject to a betterment charge at the rate of 80 per cent of the increase in the value of the land due to the granting of the permission, 20 per cent being left to the owner as incentive to develop appropriate land himself or to sell it to a developer. Fair compensation based on development values on March 31, 1939, but excluding the element of floating value, will be paid to owners on any future refusal of permission to develop. The payment of compensation and the collection of the betterment charge will cease to be the responsibility of local authorities and will be centralized in a Land Commission. This last proposal has been framed on the assumption that the control of land use will be so managed that over a reasonable period of years, and over the country as a whole, receipts of betterment charge will broadly balance the payments of fair compensation.

Legislation along these lines, in the opinion of the Government, will provide an effective planning policy which will secure well-balanced use of all urban and rural land in Britain. It is not suggested, however, that a single master plan be devised and imposed on the entire country, or that

¹⁹ *Control of Land Use*, Cmd. 6537, 1944.

the existing pattern of land ownership or use be abolished. This piece by piece approach, and failure to consider a planning area as a single unit, largely accounts for the Bill's inadequacies from the viewpoint of local authorities, and in the larger regional and national aspect the effect is even more serious. It should be remembered, however, that the Bill and the accompanying White Paper on control of land use represent the first advance in a previously uncharted field, they provide fairly satisfactory solutions to the smaller problems of land utilization, and they do not eliminate the future possibility of outlining a more ambitious scheme.

The Housing Program

IN CONSIDERING a national housing program, the Government has drawn a distinction between the long-term building project, which has not reached its final outline, and schemes of an emergency, temporary character which are designed to alleviate the housing pressure appearing at the time of substantial military and industrial demobilization. Beginning in January, 1945, more than 500,000 temporary, prefabricated dwellings were to be erected at the rate of 2,500 a week. These houses will be publicly owned and licensed for a period of ten years, and will rent for about \$2 a week.²⁰

Training for the building industry has been covered by a White Paper which announces the Government's intention of training craftsmen for the field based on the assumption that a reconstruction program covering ten years will require a labor force of 1,250,000 men.²¹ This document is highly significant as it represents the first attempt to determine the physical volume in the postwar period of one of Britain's major industries and to prepare measures for bringing that industry in line with the number of available workmen.

Stimulated by the determination that agriculture must not

²⁰ *Housing and Temporary Accommodations Bill*, House of Commons, 39, 1944.

²¹ *Training for the Building Industry*, Cmd. 6428, 1943.

be allowed to deteriorate after the war and based upon a four-year plan of intensive meat and milk production, the Government appointed a number of committees to investigate such diversified problems as improvement of agricultural techniques, conditions of work, research, rural housing and water supply.²² Other studies covered the fishing industry and a forest policy.²³

Electoral problems, including the possible redistribution of seats after the war, have been considered by an official group, and proposals for the reform of the foreign service along the lines suggested by Disraeli over one hundred years ago have been offered by another body.²⁴ The Keynes plan for an international clearing union, developed by the Government as a basis for discussion of postwar currency arrangements, concurrently with proposals on the same subject by the United States evolved by compromise into the Bretton Woods monetary agreement.²⁵ Its purposes were to provide a generally accepted means of payment between nations to ensure that any alterations which take place in the exchange value of international currencies are made as the result of an orderly procedure and not by unilateral action; to relieve from excessive strain any nation suffering from temporary difficulty in meeting its obligations to make payments abroad, while at the same time subjecting it to a gradual pressure toward restoring a position of balance. These aims, though, are secondary to the objectives of promoting a steady expansion in the flow of international trade and an improvement in the standard of life of participating nations.

²² Committee on Postwar Agriculture in England and Wales, Cmd. 6433, 1943; Committee for the Organization and Development of Agricultural Research, Cmd. 6421, 1942; Rural Housing, Ministry of Health 32-359, 1944; A National Water Policy, Cmd. 6515, 1944.

²³ Committee on the Herring Industry, Cmd. 6503, 1944; Postwar Forest Policy, Cmd. 6447, 1943.

²⁴ Committee on Electoral Machinery, Cmd. 6408, 1942; Proposals for the Reform of the Foreign Service, Cmd. 6420, 1943; and Recruitment to Established Posts in the Civil Service, Cmd. 6567, 1944.

²⁵ Proposals for an International Clearing Union, Cmd. 6437, 1942.

The Government's Aims

A CLOSE EXAMINATION of all British postwar plans indicates that the Government is against trade barriers and restrictive price-raising practices by monopolies, whether national or international, and in favor of any proposal which raises the consuming power of the poorer nations of the world. The humanitarian note is dominant also, in policy making. The Government's comprehensive economic program for peace and reconstruction deals with the production of wealth in the hope that by so doing it will enable the nation as a whole to earn the best possible living in the most efficient manner, and it seeks to make provisions for those in want because of illness, unemployment, injury or other circumstance. The first part of this policy is covered by the White Paper on the prevention of mass unemployment; the second is considered by the State document on social insurance, and is closely connected to the various other plans developed recently, especially those concerned with children's allowances, workmen's compensation for injury, and a national health service. If these projects are considered in conjunction with the Education Bill, which aims at equal opportunity for every child, and with large-scale programs for land use, housing and agriculture, it is immediately apparent that the Government intends to provide for all the requirements of the average citizen.

Certain issues, however, have not been resolved. Long-promised plans for the reorganization of local government, for instance, have not appeared. Again, although it is apparent that relations between the State and industry will be much more intimate after the war than before 1939, uncertainty exists as to how far the Government will go in outlining the conditions under which industrial reconstruction is to proceed. Although official pronouncements have been made against business arrangements by which prices are

stabilized at the expense of output and employment, the Government's intentions in the field of monopolies and cartels have not been fully disclosed. It is also not clear whether the State will make a determined effort to transfer persons from congested areas, and whether emergency housing will be erected according to a well-conceived national plan. The Report of the Royal Commission on Population Problems, however, will probably elicit far greater attention because the decline in the birth-rate as well as the aging and prospective decline in the total size of the population pose grave social and economic problems which will affect Britain for many years in the future.

The British Government, in laying its plans for peace, proclaims its determination to control the forces of change, and to wrest from them the best that is latent in the moments both before and after final victory.

*Hunter College,
New York*

Financing Social Insurance

MUCH ATTENTION has been given recently in Great Britain and the United States to social insurance plans, and particularly to the Beveridge plan. These plans are intended to provide payments and services for workers "from the cradle to the grave," such as sickness insurance with medical care, unemployment insurance, old age annuities, etc. So enthused have the liberals become over such schemes that it would appear they consider insurance the solution of all social problems.

One aspect of the plans which is completely overlooked is how the services and payments are going to be paid for. What is proposed is that the expenses incident to providing such services be met by taxes that fall mostly on *earned income*. Insofar as the familiar payroll tax is used, it is important to note that, whatever the pretense that these are partly contributed by employers, their burden is altogether and with no significant qualification on employees' wages. And insofar as the necessary funds are drawn from general tax revenues, they come—under the present tax system—much more largely from earned than from unearned income. Thus the aid of relief extended to some workers tends to put extra burdens on other workers, and to bring the incomes of the latter nearer to—or sometimes below—the level at which they, too, need relief.

I am not seeking here, to cast discredit on social insurance as such, any more than I seek to cast aspersions on the insurance of buildings against the hazard of fire. I am seeking to point out that these so-called "liberals" are enthusiastically trying to compel workers who, by working harder or more efficiently, are able to lift themselves economically a little above their fellows, to contribute of this excess toward the rest. They are ready and anxious to draw from the earnings of what men save and invest in the construction of capital to ameliorate the lot of the less fortunate. But to any proposal that a special tax burden be placed on the unearned incomes that men get from their ownership of the earth and from charging others for permission to use the earth, most of these liberals are altogether indifferent.

HARRY GUNNISON BROWN

University of Missouri

Occupational Trends and Postwar Policy

By FRANK T. CARLTON

I

A FAIRLY ACCURATE FORECAST of the long-run trend in occupations would be of especial significance for employment counsellors and school executives, but it is a matter of concern also for all who formulate or influence economic policy. What are the trends during recent decades? Is there reason for anticipating that the war will modify fundamentally the directions in which our occupation trends have been going? History points out with reasonable certainty that other wars in which the United States has participated have hastened or retarded certain economic and social trends; but the general direction of such trends has not been basically modified by war. It may be suggested that social and economic trends are fundamentally the result of technological changes or of modifications in the ways in which mankind gets a living and associates together. Trends are changed in direction, or slowed down by such obstacles as customs, habits, institutions, vested interests, and the desire for security which leads men and women to cling to the familiar.

Certain European countries which have been occupied by military forces and devastated by the conflict may undergo revolutionary changes in the postwar period. The cities and the countrysides of this nation have not suffered from bombing or the presence of hostile military forces. The United States, unlike many other countries, is a young nation with considerable natural resources and with a population not overly large or rapidly increasing. The United States has not benefited in a relatively large measure from the exploitation of undeveloped colonies or other areas. Certain Euro-

pean peoples are likely to lose much of the gains derived from colonies, which gains have been considerable in recent generations. Furthermore, the older countries are destined to meet increasing competition from overseas areas which are soon to be industrialized. In short, many of the acute social and political problems which are about to face overpopulated and colonial-controlling European areas will not for some time at least confront the people of the United States. If the peace following this war lasts for a generation, we may reasonably anticipate that the occupation trends which have been emerging will continue without unusual deformations. What, then, have been these trends; and what are some of the most significant consequences of these trends?

In 1840 about three out of every four workers in the United States were engaged in agriculture. If men of that day had been told that one hundred years later only one in every five workers would be a farmer, the question would have been anxiously asked: Will a large percentage of American workers be unemployed? Statistics of peacetime employment trends show clearly that the relative number of American workers in farming, manufacturing, mining, construction work, fishing and forestry, is declining. Slightly less than one-half were engaged in these occupations in 1940 while the others were engaged in trade, transportation, clerical work, government service, personal service, and various forms of professional work. In 1870 the percentages were respectively about 75 and 25. The basic and factory industries engaged in producing tangible goods are declining relative to the "tertiary" or service industries. If increasing mechanization of agriculture, manufacturing, and construction continues, relatively more and more workers must go into other lines of work. As in earlier days, many indi-

viduals see unemployment as an inevitable consequence of this shift in occupation emphasis.

A country in which a large percentage of its work force is needed in agriculture is, history points out, one with a low standard of living. Its farmers may be economically independent, but the real family income and the opportunities for travel, leisure, and recreation, will be limited. On the other hand, a country using much machinery and power, having access to abundant natural resources, and having a considerable percentage of its work force in the tertiary or service occupations, will possess a high average standard of living. Furthermore, its potential standards may be much higher than its actual living levels. A more equitable distribution of family incomes, the reduction of monopolistic practices and of restriction of output on the part of capital and unions, and better planning, will further increase the national output and make possible higher standards of living. We need not be unduly alarmed because service occupations are absorbing an increasing fraction of the labor power of the American nation. In fact, in a technological civilization it is possible to solve the employment problem by waging war, or by the production of many non-necessities.

II

AS CONSUMPTION BECOMES varied, or high-level, it becomes more changeable and unpredictable. When it was difficult to get a sufficiency of food, clothing, and shelter, demand could be predicted with a high degree of accuracy. This is not the case with the demand for luxuries. At the same time investment in specialized capital has increased. The producer is more and more anxious to achieve stability of demand for his product. Hence extensive advertising campaigns are employed to educate the consumer and preserve the investment of capital. Small business, being flexible,

should be especially appropriate for the production of many articles suitable for high-level consumption.

As consumers' wants become greater and more varied, we must learn to plan production to meet the demands of consumers, rather than the reverse. Exports should be such as would readily be accepted in payment for the materials and goods we wish to import. In war, which is a luxury from the purely economic point of view, the demands for consumption become the guiding factors in production. In wartime, consumption needs—necessities for civilians, and munitions and supplies for the armed forces—become paramount. The wishes of producers, the hope of personal profit, and other motives which arise in a producer's world, are subordinated to the demands of the war machine. Consumption is in no small measure planned and production is warped to meet the demands of the gods of war. War is a non-productive enterprise; but in a high-level consumption economy, much of the nation's effort will be directed to producing non-essentials. We are willing to sacrifice for war; peace, on the contrary, has few dramatic calls to latent impulses. Again, in the demand for munitions, service rather than price is the dominating factor. In wartime the old virtues of individual savings, which were discounted during the great depression of the '30's, are again emphasized. We are asked to save and buy War Bonds.

For several decades the trend in occupations has been toward the production of tertiary products and it is accompanied by, or motivated by, a shift in the demand of consumers. Relatively the demand for the basic necessities has decreased and the demand for comforts, luxuries, and services, has increased. These secondary demands are less standardized and much more elastic than are the demands for food, clothing, shelter, and capital goods. Consequently, labor

may play a larger rôle in their production than in the production of many necessities, agricultural production probably excepted. The elasticity of demand for services and non-necessities will tend to increase the demand for workers. Relatively more workers in the service and professional occupations and in trade and transportation may be anticipated. Men and women, especially young workers, and capital, should gradually be shunted out of or away from industries such as coal mining, the textile industry, the oil industry, farming, and others in which productive capacity now clearly outruns the public demand for the products, and out of highly mechanized industries in which the machine is rapidly displacing manpower. Men and capital should be directed into new industries and occupations, and into old industries the demand for the products of which gives promise of great expansion as the cost of production is lowered—housing, radios, air conditioning, research, sanitation, artistic products, literature, and recreational facilities. Such an adjustment, resulting from the gradual application of the principles of scientific management to the nation's industries as a whole, will enable high wages to be paid for a short working period. After the war ends, workers may be expected to start their work career somewhat later and retire somewhat earlier than in past decades. It is also reasonable to expect a continuation of the trend toward shorter work periods, a trend interrupted by war.

For several hundreds of years agriculture has in no small measure determined fundamentally the type of social and political organization. The great majority of the population were engaged in producing foodstuffs for themselves and a minority were divorced from the soil. In the United States since about 1870 more have been engaged in all other occupations than were in agriculture. As has been indicated, new

patterns of occupations are developing, the center of gravity of political power is shifting, and new economic forces and institutions are appearing. For example, in many a large corporation control and ownership of property have been separated. A new and specialized occupation, management, has appeared. Management and the organized industrial worker, using the machine tool and the riveting gun, are both new and important elements in a complex situation. The peasant with the ox cart, the craftsman with his simple tools, and the owner of a small business, represent better-understood social elements. We could predict their reactions much more accurately than we can those of the executive and of the unionist in modern industry.

III

PROGRESS IS USUALLY one-sided. In recent decades in the Western World rapid advance has been made in science and technology; but social inertia is manifested in the political, economic, and social realms. Americans continue to think in terms of a time when agriculture, the ox cart, the tallow candle, and localism were the basic features of American life. The disharmonies between technology and economics are great. Our "inherited techniques for living and working together" are painfully inadequate for an epoch of mass production and giant power.

As improvements in agriculture and in manufacture increase the output per worker, an increasing percentage of the energy of the work force is released for new jobs, for the production of new articles and services. The upward sweep of a technological civilization depends upon the intelligent utilization of the human energy released by science and engineering. If it is used chiefly for gadgets, liquors, and face powders, instead of for greater leisure, more educational, health, and recreational facilities, and new products

which reduce hard, backbreaking work, or which make for added comforts for the rank and file of the population, the nation is retrogressing; certainly it is not progressing.

However, technological advance has not only led to revolutionary changes in the methods of production, it has also undermined our faith in the negative democracy of the nineteenth century with its emphasis upon freedom of speech, of the press, and of religious worship. The new democracy of an age of technological progress must be positive; it must guarantee for the masses jobs and a reasonably high minimum standard of living for each family. Modern technology, with its world markets and rapid transportation and communication services, has also definitely outmoded nationalism. It has also forced government actively to guide economic activities. Technology is forcing these revolutionary changes; but custom and tradition are clinging firmly to the inheritance of that unusual century, the nineteenth.

Big business, powerful labor organizations, and strong farmer groups, require powerful government to hold them in check. The development of billion-dollar groups, the growth of interstate and world markets, the specialization of labor and capital, and the co-ordination of many and diverse types of business and industrial units, have led to the strengthening of our federal government. Especially through the executive, the federal government represents the consumer interests of the entire nation. It must be able to dominate and control the various pressure groups of the nation; otherwise the nation will fall apart in an emergency, as did France in 1940.

*Case School of Applied Science,
Cleveland, O.*

Boom or Depression Ahead?

ARE WE TO ENTER upon a period of prosperity with the close of the war or shall we sink deep in another great depression? There are many factors to be taken into account, some of which are capable of approximate scientific statement while others not less important flit about in the realm of conjecture.

There is bread grain enough on hand to feed all America and Europe, with a huge surplus for the Far East. There is fibre enough to clothe everybody. There is sufficient steel capacity, cement capacity, lumber capacity to house everybody. There is labor power enough to pack all the warehouses with commodities, and a sufficient volume of consumer purchasing power to empty them. At least in America there is gold enough in the Government vaults to insure a sufficiently sound currency. These are solid facts that no one disputes. Why then are we not assured of at least a fairly sound postwar economy?

The economist loves to deal with material items that are capable of quantitative statement. But there is one immaterial item which defies quantitative statement, yet may operate to throw out all conclusions based on quantitative analyses. That is the spirit of enterprise, public and private.

Shall we proceed boldly with the harnessing of our great rivers and small ones, after the pattern of the Tennessee Valley? Then millions of workers, employed directly on the projects or indirectly in supplying the projects will have jobs and wages to buy the products of other workers. Will our industrialists, big and little, glow with optimism and produce to capacity for the future, unknown as the future must always be? Then other millions will have jobs and pay envelopes that extend prosperity in widening circles.

Or shall we return to timid normalcy in our public enterprise, to safety and sanity—too often insanity—in our private business affairs? Then employment will fall away, pay envelopes and consumer purchasing power will atrophy, and depression will spread over the land in an infinity of mutually impinging circles.

If we could forecast securely the spirit that will prevail after the war, we could answer the question, boom or depression. My own guess is that when our lads return, a tidal wave of optimism will engulf this country.

ALVIN JOHNSON

*New School for Social Research,
New York*

Mediation in Cultural Perspective

By HORACE S. FRIES

I

WE LIVE in the first hundred years of the very dawn of one of the world's great revolutions. Disregarding geological changes—for the time being, since we dare not disregard them entirely if we are to understand men in their world—we may say that the revolution now going through the painful struggle of birth is one of the five great disturbances which have shaken the face of the earth. To get some sense of the import of this claim, it will be worth while to summarize briefly, if abstractly, these five events.

Some half-million to a million years ago our early sub-human ancestors found themselves walking erect and using their former forepaws as manipulative organs. With the transformation of the first finger into an opposable thumb the organic foundation was laid for the continual use and improvement of tools. Tools were used, and then they were used to make tools. Slowly but surely an accelerative process got under way; a process almost mysteriously self-propelling, as it were, in the cultural and material environment of men.

When simple tools are used, the intended consequences become readily identifiable. Eventually they become organized in more complex groups as aims. The experience of a tool can then stand as the experience of something not present, something hoped for in the future, something deliberately to move towards—though absent—or a thing to be accomplished. In short, a tool is the simplest kind of manipulative sign or symbol. When tools are used co-operatively by more than one creature, there is that marvelous experience of a common aim.

But tools can be exchanged among creatures. And with them can be exchanged the absent but commonly experienced aims. It is only a step, when the tool is being used, to concentrate on the aim alone as the carrier of the meaning. When this occurs the miracle of communication has been enacted. Communication itself can become an aim, and tools deliberately shaped to secure it and improve its efficacy. Sounds and gestures afford rich materials for such tools. The creature has become a human being, an appreciator-and-thinker. He can welcome or reject, strive for or avoid specific things and creatures not present. By means of their signs he can use things which are absent to help him overcome some difficulty. In short, he can exchange and store useful information: he has a symbolic means of improving his controls. At the same time, by means of symbols, appreciation can be expanded beyond the range of crude actualities to be refined in the imagination and to serve here as a persistent lure to the reshaping of existence. Although symbols thus liberate imaginative rehearsals and ventures from the immediate pressure of practical exigencies, yet we hardly dare believe that in their origin, when the struggle for human existence was direct and ubiquitous, thought and appreciation could become set over against each other. Anthropological findings bear out this inference.

Some five thousand years ago, if we follow the profound studies of James H. Breasted, there emerged a cultural mutation of equal world revolutionary import. A new dimension was added to activity besides appreciation-and-thought. At about that time some Egyptian or other Mediterranean visionary felt and formulated a vague stirring of a vague distinction which has come down through the ages as the difference between right and wrong. "The dawn of conscience" begins to glow. No longer is the problem of the construction and use of instruments to be judged solely in terms of means to

enjoyed ends. The quiet but persistent and sometimes fanatical question has been raised: Is the end worthy? Aims and tools had long since become commonplace. But some daring radical succeeded in questioning the aims which he held. Some men henceforth will aim to form better aims, and there will be a growing need for effective criteria. Change, failure, defeat, victory, relativity, cynical sneers, and skeptical doubts have not been able to allay this piercing question. The age of primitive innocence is passed: the age of character is underway.

The coming of Greek philosophy and mathematics some twenty-five hundred years ago signalizes our third great world revolution. At this time the effort to solve basic human problems, including those of right and wrong or moral evaluation, lifted themselves, as it were, out of the everyday instrumental world of appreciations, problems, evaluations, and plannings into a transcendent realm of ultimate and absolute "Reality." The wise man was transformed into the philosopher, and mathematics began its career as a deductive inquiry.

II

WELL MIGHT SUCH an elevation into an eternal, spiritual realm take place! For both Pythagoras and Plato asked the revolutionary question, Why? If some things which were not taken to be terribly important by the leisure class—say a right triangle—were touched by this magic question, they immediately took on importance; usually, indeed, a transcendent importance which set them in opposed contrast with the earthly importance of "mere utilitarian gadgets."

Mankind, it appears, had long had a sense of the terrifying significance of this little question. But before the time of the daring Greeks—some of whom could find delight in terrifying intellectual tasks—it was left entirely to the gods. Job raised it, but repented before he had looked far for an answer.

Things *were*. They happened this way or that. And men wanted and needed to know how things happen. Their use of tools helped them to discover the happenings of many things. But the reason for their happening was a divine affair of the gods. Woe unto him who penetrated to the face of the living God!

"The reason," as we are using the term here, is the answer to the question *why*, and "reasoning" is sustained effort to provide the answer. Whatever else may be involved, then, there is clearly an emphasis on symbols. Previously men had used tools to help solve their problems. They had used symbols, of course, to help provide and to perfect tools. But the test of success lay in the use of the concrete tools. With reasoning a new test is introduced which is systematic and verbal or symbolic. Long before Pythagoras the Egyptians knew that the square of the hypotenuse equals the sum of the squares of the sides of the right euclidian triangle. Pythagoras, we now know, did not prove the practical or existential truth of his famous theorem. What he did do, however, we also recognize to be of equal importance. He showed how by beginning with certain meanings or symbols and using them in a very strict procedure, other meanings and symbols would be compelled to follow; compelled, that is, as meanings and by meanings, not as concrete existences or by concrete existences.

The procedure in mathematics, as seen in retrospect, was relatively simple, although only within the past hundred years have we begun to become clear about the nature of these abstract meaning compulsions which constitute necessity in deductive mathematical operations. But in the other aspects of life—such as involve questions of right and wrong and authority and sovereignty and even the movements of the planets and stars—the matter was much more complicated. For in the realm of mathematics men could not only

agree on the validity or invalidity of an abstract procedure, but the conclusion could often be used to good advantage in commerce, industry, and the mechanical arts. But for some reason or other the conclusions in these other realms were always more dubious, less trustworthy, and less specific than in mathematics. A philosopher or philosophic school would pronounce certain conclusions to be demonstrated with deductive certainty, but another philosopher or school would arrive at opposite conclusions; or, more frequently, the same conclusion would be reached from different reasons which contradicted the reasons of the former. From the time of the Greeks on, individuals who had the leisure and the taste could win the exciting experience of *logical necessity*, but, outside mathematics, there was little or no agreement as to what was logically necessary or as to what logical necessity was in itself.

We mentioned above that simultaneously with the discovery of the question *why*, the answer was elevated to a transcendent order of eternal "Being." One common explanation of this phenomenon is that the persistent failure of the Greeks to solve their basic social problems led them in compensation to look for the values of life in an eternal, unshakable realm. Naturally, their valuable question would not only help formulate and "prove" the reality of such a haven, but would also lodge itself near the top of this hierarchy of eternal value as ~~in~~cruptible "Truth."

This explanation is probably correct, but anyone who has ever experienced the exciting illusion of an abstract demonstration of "Truth" can realize that the quality of the experience demands, in its own right almost, that it be set apart, in a realm by itself, from the ordinary course of events. Whether this peculiar satisfaction is "purely" esthetic or whether it is also the deep, unconscious foreshadowing of the overwhelming importance of the abstract relation of *impli-*

cation is a question we need not answer (since we can't). In any case we now know that Pythagoras, Socrates, Aristotle, and the other philosophers of ancient Greece had made a vague discovery of this basic abstract logical relation which was to prove to be a tool as important and as powerful as any instrument of stone or wood or metal.

We also mentioned above that with the Greeks the question *why* was applied to matters of right and wrong, of the worth of aims and ideals; in short to the question of *the good*. Before this time man's salvation had been conceived in terms of the everyday world of practical affairs. But, for whatever reasons, once it was elevated by the question *why* to the eternal, immaterial realm, *the good* soon became salvation from the world. Heaven is no longer a mere joyful (or darkened) extension of the natural world of change but has become the eternal and unchanging foundation of the world, the source of all real good, and the competitor of earthly goods. "Spirit" and "flesh" become synonyms of "right" and "wrong." Other-worldliness was the identical twin of reason. The world has yet to recover from this Greek and Christian metaphysical separation between the ideal and the actual, theory and practice, the why and the how; in short, the separation between "Reality" and "Appearance."

III

THE RISE of experimental science in the seventeenth century constitutes the fourth world revolution of equal stature with the other three. Through its concrete test of success in terms of the control of actual physical transformations, it instated in practice an intimate connection between the scientific *why* of nature and actual operations and practices in the everyday concrete world of "appearances." The abstract mathematical relation of implication continued to be used, with several refinements and extensions, as the Greek mathematicians had

used it. But a new test was established for deciding what quantitative values to assign to various mathematical equations and symbols. More accurately, the ancient criterion employed by the practical artisan was united with the esoteric abstractions of the mathematician. For this new scientific test was the old everyday test of control over physical changes. After Galileo, *scientific explanations or answers to the question why must meet the demands abstract implication.* But furthermore they must aid in the control and prediction of physical events. This means that in actual scientific practice the *scientific why* of things has been retrieved from its long slumber in "the eternal realm of pure Being" and has been put to work in the practical service of men. It can now be clarified, tested, and improved in terms of its efficacy in promoting experimental control.

Unfortunately, but for understandable reasons, this revolutionary practice was not recognized in the new philosophical theories which the advent of experimental science called forth. Cartesian and post-Cartesian thinkers, and Kantians and post-Kantians, carried over the unfortunate Greek distinction between "Appearance" and "Reality." Needless to say there was less agreement than ever among philosophers and their schools as to just where "Appearance" left off and "Reality" began, and as to the relations between them. But even when mind and body were brought together, as with Hobbes, Spinoza, Leibnitz, and Hegel, the basic metaphysical dualism remained an unquestioned and almost unrecognized presupposition.

This failure of modern philosophic theory would have been of little consequence had the practice of the new science included at the outset all different aspects of life. But as a matter of historical fact, not difficult to understand, it left the question of the *why* of right and wrong, of the good life, intact in the realm of metaphysical "Reality." Although

the test of abstract propositions about nature became tied up with deliberately instituted and controlled changes in the concrete world of physical realities, moral beliefs and reasonings remained in resplendent metaphysical and theological glory in the world of "Reality" or Supernature. Galileo was a sincere if misguided Catholic when he protested to his prosecutors that the *why* of nature could be left safely by the Church in the hands of scientists, on the ground that the Church could continue in its proper sphere as guardian of the right and the good.

Consequently the metaphysical presupposition that "Reality" is the rock of values was accompanied by its corollary that, regardless of the new science, genuine wisdom can be attained only from sources beyond the world of nature and everyday affairs. Science deliberately and systematically excluded the moral question. Nature can give us knowledge of means but only supernature can give us knowledge of aims. If, perchance, science leads us to believe that nature is inclusive, that there is no supernature, then there is no normative knowledge of aims to be had; and questions of value, or the worth of what we are pursuing, become bourgeois prejudices, scientific nonsense, and *mere* matters of taste or opinion.

Both the theory of organic evolution and the findings of modern anthropology reinforced this conclusion of moral nihilism, sometimes with the sounding of brass and cymbals. But at the same time, like the still small voice after the storm, these studies were laying the foundations for world revolution number five. Moral nihilism follows logically in the wake of science only on one condition; namely, that real ethical knowledge is absolute. But both organic evolution and anthropology have annihilated any previous justification for an absolute basis of truth. They have shown us that ideas, treated as abstract instruments, can be more or less effective, can be improved and modified, just like other tools,

without the assumption that there is one absolute "Truth" or abstract tool which must serve as the pattern for all other dependable beliefs. Indeed we can now see that within their relevant areas, scientific ideas are dependable guides to concrete control *because they change*; because, that is, they are used in control of concrete processes to improve themselves as abstract tools of inquiry. Once this belief comes home to us, and with it the belief that this natural, everyday world is the source of all good as well as all evil, then the way is opened to a completion of the self-corrective union between theory and practice which was begun by Galileo. A way begins to open which enables us to develop everyday operational tests for abstract ideas about the good and the right, just as four or five hundred years ago the way opened to test abstract ideas about physical nature.

IV

THIS IS THE WAY of organized mediation. In an important article in the January, 1945, number of *The American Magazine*, William M. Leiserson, former co-chairman of the National Mediation Board, warns us of the urgency to distinguish sharply between mediation and arbitration, and advises us to promote the former with all the intelligence at our disposal.

The activity of organized mediation is the meeting ground between science and morality. It is the place where both join hands—after four centuries of growing separation and opposition—to reinforce and help each other. Successful mediation of a specific conflict is impossible except in terms of the interests of all the parties to the conflict. It does not search for fixed moral standards, but looks to consequences which will best satisfy the conflicting interests involved. A workable mediating plan must satisfy the interests of all parties to the conflict well enough for them to accept it.

Every intelligent labor mediator recognizes the necessity of taking account of the conflicting interests in a dispute. To this end he will try to secure the participation of both labor and management, in both the formulation and execution of the plan. The plan must promise some satisfaction to these interests to be accepted. As it is set to work, changes and modifications must be made, and these, too, must yield satisfaction to conflicting interests, if the plan is to continue to function. The best way of securing such satisfactory resolutions is to have the conflicting interests operate in drawing up the plan and in deciding on what changes to make.

The democratic and ethical aspects of mediative activity are thus readily recognizable. But another aspect is not so easy to discern, and it is this aspect which gives mediation a scientific and progressive character. As we practice the art of successful mediation and at the same time try systematically to improve its techniques, we are actually practicing experimental social ethics.

The mark of scientific inquiry which sets it off from all other activities is this, that it uses its techniques of control to improve these same techniques. Science does not, of itself, use these control techniques in practical activities. This has been the affair of engineering or applied science. The former has used the controls, or tools, simply for their own improvement. This aim to improve its own controls is the secret of its growth and technological achievements. It has been called the self-corrective character of science.

Now mediative activity which concerns itself not only with the temporary practical success of its own plans but also with improving the instruments or techniques of mediative planning is precisely an experimental ethical science. Not only is it experimental in that it aims to improve its own techniques, but it is ethical in that the concrete operational test of improvement is the *better* satisfaction and *better* or-

ganization of the interests involved in a specific conflict. For to aim at anything less than better satisfactions of interests is to aim to wreck the hypothesis-plans of the undertaking. The interests and activities which participate in such planning, participate in the control of their own gradual reshaping into richer, more satisfying affairs. Organized mediation in its evolutionary and anthropological setting thus signalizes such an important event in the development of the human race that we venture to place it as one of the five great happenings in the half-million or million years of the history of man.

This claim seems to sound an outrageously optimistic note at a time when pessimism is the popular mood. We note first, in accord with the mood of the times and out of respect for it, that our four previous revolutions were spread out over long periods. From the fact that tools—whether abstract or concrete—can be used to refine tools and make new ones, there is reason to believe that the decreasing time intervals between these basic revolutions is of some significance and not entirely accidental. Nevertheless, there is no guarantee that the fifth revolution will succeed in the immediate future. The fact of wide-spread pessimism is itself an inhibition to its success, and a stimulus for a retreat to pre-scientific attitudes and beliefs.

On the other hand, it can be clearly seen that one condition for the fulfillment of the new revolution is a period (perhaps several periods) of social chaos. For it is likely that only with the utter breakdown of the old (and "new") "absolutes," will men take over the responsibility of deliberately shaping and testing their own spiritual and moral guides. The tools are now available for undertaking this historic task. If the chaos of our times has made our old habits and customs sufficiently fluid, then there is no known reason why the progress in experimental evaluation which has been made here and

there, as for example in the labor relations policy of the Tennessee Valley Authority, should not begin to spread over the face of the earth. If our habits are still too rigid and our fears too great, then the birth of the new day will be prolonged and more painful.

University of Wisconsin

Taxation According to "Ability to Pay"

What It Means and What Is Wrong With It

By HARRY GUNNISON BROWN

WHEN IT IS PROPOSED that the annual rental value of land, geologically produced and community produced, be made the first source of public revenue, those who are implacably opposed to this reform present a variety of objections. Among these is the contention that such taxation would operate to the relief of the owners of capital, such as buildings, and to the relief of the recipients of large salaries, and that both classes "ought" to be required to pay appreciable—even large—sums in taxes.

Before discussing at length the major principles involved, it may properly be pointed out that to appropriate most of the rent of land to community needs does *not* necessarily mean the abolition of all other taxes. We can, therefore, combine with such heavy land-value taxation, *if we want to*, especially heavy taxes on the largest salaries, even though these are fairly earned by skill and hard work, and similar heavy taxes on the capital (or the income from it) of those who have a great deal of capital, regardless of how hard they may have worked to acquire it. We can use the revenue from an increased land-value tax, *if we want to*, for the purpose of lightening the tax burden only on the incomes of those who earn *low* wages (or "salaries"), on the capital of those who have but *little* capital and on commodities (*e.g.*, cigarettes and goods subject to a general retail sales tax) which are bought in considerable degree by the comparatively poor.

Nevertheless, it is highly important to emphasize the fact that the economic philosophy of these objectors is altogether

different from that of advocates of the public appropriation, by increased taxes, of land and site rent. These objectors to the land-value tax program are little interested—indeed, one is inclined to believe that most of them are not at all interested—in the *source* from which the taxpayer's income is derived. They are much more concerned with taxing heavily *large* incomes, however fully and fairly earned by service given to those from whom the incomes, in the last analysis, are received than they are concerned with taxing incomes which are not earned at all by any service rendered in return. That some should be able to derive incomes by charging others for *permission* to work on and live on the earth, in those locations where work is relatively effective and life relatively pleasant, does not especially disturb them. What disturbs them is, rather, that some persons have appreciably *larger* incomes than other persons. And this appears to disturb them just as much when such larger incomes are received in return for equivalent service rendered as when they are purely exploitative.

I

PERHAPS IT WILL HELP to bring home to the reader the principle involved in this controversy if we suppose a country where there is private ownership of seas, rivers, lakes and air and where, therefore, a large part of the people have to pay rent to the owners of such "property" for the *permission* of the latter to *transport* goods on—and to row, fish or swim in—the seas, rivers and lakes and to *breathe* the air. Suppose, then, an effort to bring it about that the rents paid to use seas, rivers, lakes and air—which the "owners" never themselves brought into existence—should be the first source of public revenue and, therefore, used for the benefit of all. Immediately it is objected that this arrangement might relieve of taxation some persons whose incomes, though fully earned

by the rendering of equivalent service in return, may nevertheless be larger than the incomes received by some of the poorer owners of sections of seas, lakes or rivers or some of the owners of small amounts of the country's air or some not very prosperous owners of very small lakes!

Such concern over the inequality of income resulting from inequality of contribution, together with comparative indifference to the problem of exploitation, is nearly identical with the attitude of those who urge charity to aid the poor but have no interest in *justice*. If, having understanding minds as well as sympathetic hearts, we were willing really to establish substantial justice—in the sense that incomes were received henceforth for services rendered and not through chicanery, monopoly, slavery or charging men for *permission* to use the earth—there would certainly be much less need for charity.

Those who express such great concern lest sizable *earned* incomes be somewhat relieved of taxation by making the rent of land a first source of public revenue are probably, in general, adherents of the "ability theory" of taxation. They believe that taxes "ought" to be levied on a basis of "ability to pay."

The idea of basing taxes on ability to pay grows out of the fact that a dollar has less significance to a person who has many dollars than to one who has few. To a person whose income is already large an additional dollar means only the ability to buy some inconsequential luxury. In the case of a person whose income is very small, on the other hand, the lack of a single dollar of it may mean deprivation of sufficient food, clothing or other necessity. The contention is made, therefore, that taxes on the larger incomes involve less "sacrifice" from the taxpayer than taxes of similar amounts on the smaller incomes and that taxes on the larger incomes should be greater.

But how much greater? So far, the notion that taxes should be based on "ability to pay" is vague. How much more "ability to pay" goes with a \$50,000 income than with a \$2,000 income?

Here we need to consider two somewhat divergent branches of the "ability" idea. One is that taxes "ought" to be so levied as to impose "equal sacrifice" on the different taxpayers. The other is that taxes should be so levied as to impose the *least aggregate or total sacrifice*.

Individuals differ in needs, tastes and desires, and so we cannot be certain that two persons of equal incomes will be undergoing equal sacrifice if they are equally taxed. However, it is evidently assumed by those who hold the "equal sacrifice" philosophy that for practical purposes we are not to bother with individual tastes and habits but only with differences of income and of relatively necessary expense (such as the expense imposed by dependents). Then, presumably, a rough guess would be made regarding "equality" of sacrifice. Such a guess might be, for example, that an annual tax contribution of \$15,000 from a person with a \$50,000 income involves a sacrifice "equal to" that imposed on the recipient of a \$2,000 income by an annual tax of \$10!

But the question inevitably obtrudes itself whether anyone, anywhere, at any time, has worked out or could possibly work out cogent evidence to show what *would* be "equality" of sacrifice. Might it *possibly* be the case that the phrase "equality and sacrifice" is just a slogan used to persuade an unanalytical public to accept the policy of those who use the expression?

But why should we want taxes levied so as to make the "sacrifice" of different taxpayers precisely *equal*? Is the word "equal," in this connection, anything more than a euphemism? Why not claim that the *amount* contributed

by different taxpayers should be "equal"? Or that each should contribute an "equal" per cent? Is there any reason from the point of view of logic, ethics or the welfare of the social group why the thing to be made "equal" in the case of different taxpayers should be their "sacrifice"? Indeed, why not make the "sacrifice" very *unequal* in order that the magic word "equal" may be applied to the net income remaining to taxpayers after tax contributions are subtracted? Is there, in short, any really *convincing* argument for having the word "equal" apply to sacrifice rather than to *amount of tax contribution or per cent of income taken or amount of income left for individual spending, except* that some economists *intuitively feel* that way about it? Are not some of our mentors, in fact, giving us a mumbo-jumbo economics?

If there is nevertheless some sort of case for taxing the larger incomes more heavily so that sacrifice between different taxpayers is "equal," may there not be a still more plausible case for so levying taxes as to produce the *least possible aggregate sacrifice*? In this view, if \$15,000 has been taken in taxation from a \$50,000 income and still more revenue is needed, whether \$10 more or \$100 more or even \$32,000 more, this additional amount should still be taken from the \$50,000 income *before anything at all* is taken from the \$2,000 income. Indeed, even if \$47,000 (\$15,000 plus \$32,000) has been taken in taxation from the \$50,000 income, there still remains \$3,000, and so a dollar still has less utility (or importance) to such a taxpayer than to the recipient of an annual income of \$2,000. Therefore, if (say) another \$900 is needed by government, there will be *less sacrifice imposed in the aggregate* if this, too, is taken from the \$50,000 income, bringing the recipient's net income down to \$2,100, than if it is taken from the \$2,000 income. And likewise if still another \$99 or even \$100 is needed by gov-

ernment, less aggregate sacrifice will be imposed by taking it also from the larger income, reducing this to a net of \$2,001 or \$2,000, than by taking it from the smaller income of \$2,000 and so reducing the smaller income to a net of only \$1,901 or \$1,900.

But what if the expenses of government do not require so much revenue and such high taxes as we have just been assuming? And what if, therefore, the recipients of the initially larger incomes still have more left, *even though they pay all of the taxes*, than have the recipients of smaller incomes?

The logical answer, from the point of view of one who favors taxation to impose least aggregate sacrifice, would be that, since additional wealth has greater utility to the recipients of the smaller incomes than to those whose incomes are large, *i.e.*, since their *need* is greater, therefore government should increase its levy on the larger incomes and spend the resulting additional funds mostly in providing services gratis for the needy. In other words, the only logical stopping place for the advocate of taxation according to least aggregate sacrifice is the communistic terminus of equal incomes for all,—or, perhaps, “from each according to his capacity, to each according to his need.”

But any such scheme of taxation and public expenditure, it will be said, would largely weaken the motive to efficiency. If the more competent and efficient worker, who earns more by virtue of his superior efficiency, is to have all—or even the major part—of such additional earnings taken from him, is it equally likely that he will work thus efficiently? And is it equally likely that he will spend the time and effort to become thus competent? If the benefit of his extra effort is to flow, not to those of his own family, for whom his affection is presumably the strongest, but to the entire community

in larger tax revenues, is it humanly likely that he will feel the same incentive to effort? If to undergo an extended period of training for a difficult profession is to add little or nothing to the trainee's income, can we be confident that men will be as eager as now to undergo such training? Under the direction of Nicolai Lenin, even the communistically-minded Russian Bolsheviks abandoned their earlier communistic ideal of equality of incomes and began to pay more to the skilled and efficient than to the inefficient, the unskilled and the untrained.

But to say all this is to admit that "ability" or "sacrifice" should, at most, not be our only basis for the apportionment of taxes. And we may find, as we go on with our inquiry, that not only the matter of incentive to efficiency but also other important considerations have been and constantly are being overlooked or ignored by the tax theorists who prate so earnestly of comparative "sacrifice" and of "ability to pay."

II

ONE CONSIDERATION which certainly ought not to be overlooked is the possible effect of taxation on saving and, therefore, on the available total of capital. Inadequate capital means less and poorer equipment for a country's working force. It means lower productiveness of labor. And so, other things equal, it means lower wages.

If capital is very heavily taxed or if the income which it yields is very heavily taxed, there is at least some basis for doubting whether the amount of saving and, therefore, the amount of capital equipment will not be less. Certainly this possibility should not be completely ignored in planning a system of public revenue. If those who save are allowed to gain but a tiny share of the extra wealth the capital they have saved makes possible, they may have less motive for saving. And certainly the ability to continue to save and to save

increasing amounts, on the part of those who have acquired the habit of saving, is lessened by such a tax.

A variant of this idea that high taxes on capital or its income may decrease the amount of capital-in-general, is the idea that such taxes may make impossible the accumulation of "venture capital." In a recent article, "Capitalism in the Postwar World,"¹ Professor Joseph A. Schumpeter of Harvard University undertakes to present an analysis of the way in which certain forces, political and economic, threaten or may threaten the continuance of "capitalism." Among the influences he mentions is heavy taxation which largely absorbs the gains of enterprise and investment. In this connection he refers to "burdens which eliminate capitalist motivation and make it impossible to accumulate venture capital, with risks of borrowing greatly increased."² And in an appended footnote he goes on to say: "High or highly progressive taxation of profits increases the risks of borrowing for purposes of long-run investment, because it absorbs profits the accumulation of which might be counted on to take care of subsequent losses."

Perhaps "capitalism" is thus threatened. The general property tax, levied locally, takes a large slice of the annual yield of capital for the use of local and, in a considerable part of the country, state government. The income taxes levied by the states and the federal government take a large proportionate part of the remaining income of those whose incomes are high in any given year. And the excess profits tax levied on the gains of business takes another considerable slice. Conceivably a continuance—and, especially, a further increase—of such taxes would end all possibility of relying on private saving for the construction of a fairly sufficient amount of capital equipment. Were such a condition to

¹ Chapter VI of "Postwar Economic Problems," edited by Seymour E. Harris, New York, McGraw-Hill, 1943.

² *Ibid.*, p. 121.

confront us, we should probably be told that the free private enterprise system was "incapable of meeting modern needs." The final result might be a more or less complete socialization and regimentation of industry.

But why do not writers like Schumpeter call attention to the fact that a tax taking all or most of the annual geologically-produced and community-produced *rental value of land* does *not* remove the motive to accumulate?³ Why do they not remind us that the more we take in taxation of this income which is *not* the product of individual work or efficiency or saving ("thrift"), the more can other taxes be reduced? Is it because the land question has been ignored so long in the economics courses of the colleges and universities that, in general, the economists trained in them are entirely unfamiliar with it and that, therefore, the idea of suggesting an increased tax on land values seldom even occurs to them?

There is another group or "school" of economists, active participants in recent discussions on the causation of business depression, who ought logically to oppose heavy taxation of capital and, it seems to me, to support, in place of it, high taxation of land values. These are the economists whose view it is that very low returns on capital conduce to business depression through causing men to hold idle, waiting for a more favorable conjuncture, funds they would otherwise lend or invest.⁴ Because of such *hoarding*, demand for goods and labor is reduced, business activity is retarded and workers are subjected to unemployment.

"The concept of *Hoarding*," says Lord Keynes,⁵ who is generally considered to be the leader of this group or school

³ As regards the "risks of borrowing," it should be noted that land-value taxation lowers the sale price of land and so reduces—and may reduce greatly—the amount of borrowing necessary. See my "Basic Principles of Economics," Columbia, Mo., Lucas Brothers, 1942, especially Appendix 6.

⁴ See J. M. Keynes, "The General Theory of Employment, Interest and Money," New York, Harcourt, Brace and Co., 1936, especially Chapters XIII and XVI.

⁵ *Ibid.*, page 174.

of economists, "may be regarded as a first approximation to the concept of *Liquidity-preference*. Indeed, if we were to substitute 'propensity to hoard' for 'hoarding,' it would come to substantially the same thing."

To examine adequately here into the theory of business depression would take us too far afield from our main topic.⁶ Indeed, even to discuss more in detail the distinctive position of this special school of economists, with its reference (for example) to the response of borrowers to the hoarding propensities (at low interest rates) of lenders, would be, I think, an unwarranted digression. Suffice it to say that if a very low rate of return on capital would be likely to conduce in any way either to initiate or to prolong business depression, then there is a further reason for abolishing—or at least appreciably reducing—taxation of capital and its income. For obviously the net return on capital to the owners of it is much less when capital is heavily taxed than if it were not taxed.

Owners of capital presumably receive, on the average, about what capital yields or produces (its "marginal" productivity) *minus* what government takes by way of taxation. The more government takes, the less remains to owners. If, therefore, there is *anything at all* in this theory lately so much publicized, viz., that very low rates of return to owners tend to hoarding and thus conduce to business depression, its protagonists should readily admit that removal or substantial reduction of taxes on capital and on its income would help to avoid depression. And they ought to admit with equal readiness that public appropriation of all or practically all of the annual rental value of land and sites would *not* reduce the net per cent return either on present capital or on the savings which become embodied in future capital. Furthermore, they might reasonably be expected to be more

⁶ My own view of the causation of business depression is presented in my "Basic Principles of Economics," Chapter VI.

vocal than the majority of other economists in pointing out that to remove or, at least, greatly reduce taxes on capital and the income from it and, instead, to tax more heavily the geologically-produced and community-produced (location advantages) value of land, would leave the desired *larger net per cent returns* to savers and investors.⁷ *If they are not thus vocal, what can be the reason!*

But even if we are unconvinced that hoarding induced by taxation of capital or its income, and a resulting low net return, has or could have any causal relation to business depression, and even if we refuse to admit that taxation of capital may tend to reduce saving and investment and thus involve a decreased total amount of capital, there is still the question of the effect such taxation may have in reducing the available amount of capital in a particular state or nation. For if in one jurisdiction or state, capital is very heavily taxed, whereas in another jurisdiction it is taxed less or not at all, investors will certainly prefer, with other conditions anything like equally favorable, to send their savings for investment into the jurisdiction where capital is not taxed or is taxed but lightly. (If necessary to avoid future taxation on the income from such investment, they may themselves move.) For investors, like other men, *prefer more to less!* Thus the people in the state or jurisdiction where capital is heavily taxed may come to be less well provided with the capital needed for effective production.

What sort of economic "science" is it which bases its tax theory on intuitive slogans such as "equal sacrifice," which ignores the possible effect of taxation on thrift and the aggregate amount of capital, which ignores the effect of taxation

⁷ Although, of course, they might argue that such larger net returns would stimulate saving, increase the total amount of capital and so, eventually, cause the net rate of return again to fall. But any such argument surely involves an admission that, for some time at least, the net rate to savers and investors would be higher and that, during such time, the alleged depression-producing influence of a very low rate of return must be destroyed or appreciably lessened!

in any given community in causing those whose saving makes capital possible to invest in *other* communities, and which ignores entirely any bearing taxation may have on the incentive to efficiency?

III

BUT THIS IS NOT ALL. Everyone who is acquainted with the facts knows that very considerable quantities of land are held wastefully vacant for years in the hope of a rise in the price at which they can be sold or, sometimes, in the determination not to sell for less than the potential seller has paid. This tends to crowding and slums in the cities, to lower productivity of labor (*e.g.*, because much land near cities and, therefore, well located for truck farming and dairying, remains vacant and unused awaiting a hoped-for suburban residential use which may be delayed for decades or never materialize at all),⁸ and to various other wastes. Taxation according to "ability to pay" or according to any system of equal or least sacrifice means that these considerations also are altogether ignored. In fact, there is a tendency to commiserate with the speculative holder of vacant land and assess his property for taxation at a relatively lower per cent of its actual value than other property, despite his being a cause of waste and of loss to the community. "Poor chap!" it is said. "He certainly shouldn't be taxed much on his vacant land since he isn't making anything on it. He hasn't really much 'ability' to pay taxes on it."

But taxes ought to be levied with a view to *promoting the common welfare*. And a heavy land-value tax, as a result of which men *could not afford* to keep others—by high prices for land—from using land they themselves do not use, would definitely promote the common welfare.

Not rightly to be ignored, either, is the question of tenancy.

⁸ For a fuller discussion of this problem, see my book on "The Economic Basis of Tax Reform," Columbia, Mo., Lucas Brothers, 1932, Chapter IV, § 3.

Decade by decade the proportion of tenants to owners, in the case of American farmers, mounts threateningly. And in the cities, also, non-owners have to pay owners for permission to use the sites on which they live and on which they work. High land-value taxation would make the price of land low. It would make possible great reduction in the burden of other taxes as well as increased productivity of labor and higher wages. The would-be owner of his home or farm could earn more, save faster and buy land far more cheaply. His rise from tenancy to independent ownership would be far easier. *And the social consequences of this might well be profound.*

Yet all this is entirely ignored by those who, when questions are raised regarding taxation and the tax burden, are able merely to mouth such phrases as "ability to pay" and "equal sacrifice."

"The educated classes," said a distinguished sociologist of an earlier generation,⁹ "are victims of the phrase. Phrases are rhetorical flourishes. They are artifices of suggestion. They are the same old tricks of the medicine man adapted to an age of literature and common schools."

The one tax which can be urged most consistently with a defense of "capitalism" (the system of free enterprise) is a tax which appropriates practically all of the annual rental value of land. Such a tax does *not* discourage efficiency. It does *not* penalize thrift and the construction of capital. It does *not* impose a burden on so-called "venture capital." It penalizes only the *interference* with production which comes from holding good land out of use. It takes for the use of the public only the geologically-produced and community-produced rental value of land. The fact that this tax is not enthusiastically supported by protagonists of the system of free enterprise who claim to dislike communism

⁹ William Graham Sumner, "Folkways," Boston, Ginn, 1907, p. 179.

and all its works, can be attributed, it would seem, only to one or more of the following reasons:

- (1) The "silent treatment" which the land-value tax has had in educational institutions has brought it about that many men who might be interested do not even think of it—perhaps, often, have never heard of it.
- (2) Various fallacies and superficial considerations, such as those I have discussed in this paper and other papers in this JOURNAL and in my book on "The Economic Basis of Tax Reform," have definitely prejudiced some minds against it.
- (3) Some men who claim to desire a system of free enterprise are primarily interested—or only interested—in their own gains and so are more eager to preserve incomes *inconsistent* with the principles they pretend to appeal to than they are to establish a fair and decent "capitalism."

Business leaders as individuals, and business men's organizations and their committees, may sometimes comment adversely to heavy tax penalties on efficiency, thrift and enterprise, much as has been done herein. But when they do so it is seldom if ever that they suggest, as an alternative, the taxation of the geologically-produced and community-produced rent of land. On the contrary, they are likely to be found urging an extension of the general sales tax or the levy of other taxes which rest heavily on common folks, which definitely increase the tax burdens of men who have but small incomes and incomes that they truly earn by hard work. Reformers of that ilk have not the slightest interest in removing or reducing taxes on production as such or on the contributions of capital and of labor as such. Their only interest is in removing taxes from the larger incomes (and, therefore, their own incomes or the incomes of the class with

which they are closely associated) and putting them, instead, on the smaller incomes. What wonder if their pretense of being interested in efficiency and thrift and productive contribution is sometimes greeted with lifted eyebrows! Does such pretense really deserve anything better than hoots and jeers!

It may possibly turn out, in the end, that the stresses in our economic system induced by such features as the fact that some must pay others for *permission* to use the earth, will, if the system is not reformed consistently with freedom, bring us to regimentation and socialism. Reform of the economic system along the line of keeping it a system of free enterprise, requires intelligent understanding. If trained economists and business leaders cannot understand or, because of prejudice or self-interest, will not help in this *most fundamental* of reforms—to establish the right to work on and live on the earth—changes may be made, blunderingly, along lines utterly different. That has been the trend in Europe and, recently, in America too. I do not venture to predict. No one has a magic crystal ball in which he can see the future with accuracy. But who will say that there is no threat of socialism, communism or other regimented economic system?

We need a liberalism of the older sort, a liberalism which demands justice and has confidence that justice and freedom are the best guarantees of an efficient and good economy. The recent so-called "liberalism" denies justice, refuses men equal rights to live on and work on the earth and attempts instead to provide for the masses by taxing the earnings of any who strive for superior efficiency. It offers charity for justice. And whatever proper place charity has in the general scheme of things, to substitute it for justice—and without giving justice a trial—is an evidence of decadence. We

have been, indeed, in our economic theory, in a sort of "dark ages." In fact, the treatment meted out by various textbook-writing economists to the analyses of Henry George has been not only contemptibly biased but also (and I do *not* mean this as an anti-climax) utterly unscientific.

IV

PERHAPS THE OUTSTANDING ECONOMIC PHENOMENON of our time is the practically complete socialization of industry in Russia. And Russia's military might in this greatest war of all history is certainly helping to give prestige to her economic system.

An article in a news magazine last year, commenting on the frantic efforts of "the wealthy and great" of Rumania to escape from the advancing Russians, remarked that the discomfort of rich Rumanians was increased by "more and more sly grins on peasant faces." The peasants, said the writer, "have nothing to lose in the flight of Rumania's mighty" and "have nothing to fear from Russia's Red Army."

How many of the unpropertied workers in other countries have exulted, secretly if not openly, at the triumphant advance of that same Red Army? To how many of them are the growing influence of Russia and the growing prestige of Russia's economic system omens of a future when the earth shall be the inheritance of all men and not the property of a relatively few?

The "system of free private enterprise," *if so reformed as to make it consistent with the principles on the basis of which it is commonly defended*, would be definitely preferable, I believe, to any system of regimented socialism. But the adoption of a socialistic economy seems *less unlikely* than it did only a few decades ago. And I am inclined to think that this is, in part at least, because most protagonists of our so-called free enterprise system do not really understand it and

do not see—even when they are not unwilling to see—how it must be reformed if it is to operate really as in their defenses of it they say it does. Land-value taxation is, indeed, not the only reform needed. All forms of monopoly and monopolistic conspiracy must be adequately dealt with. Our monetary and banking system must be such as to make for stability in the general price level, to the end that inflation shall not enrich borrowers at the expense of lenders nor deflation bring ruin to borrowers and widespread unemployment to wage earners. But unless our reforms encompass land-value taxation, and, therefore, a practical recognition of the right of all to use the earth, they will not be enough.

Suppose, Mr. Capitalist or Mr. Business Executive, that you are seriously attempting to convince a group of socialistically-inclined employees of the advantages of a system of free private enterprise. Would you not have a far better logical case and a far more appealing case if you did not have to defend, but could frankly disavow, the exploitative features which our present economic system certainly does contain? Could you not defend much more convincingly the enjoyment of interest from their capital, by those whose saving and investment has made possible the construction of this capital (which does really help make industry more productive), if your defense of the gains of capital did not always carry with it, by implication, a defense of income from charging men for *permission* to live on and work on the earth? Would you not have a better chance to enlist these workers' support if you really could assure them truthfully, not only that, in general, business concerns do not get monopolistic incomes, but also that neither corporations nor individuals are able, in the system you defend, to obtain income otherwise than on the basis of service rendered by capital and (in the case of individuals) by work?

University of Missouri

An Institute for Central-Eastern Europe

ON THE ESTABLISHMENT of the Institute of Central-Eastern European Affairs, Hofstra College at Hempstead, L. I., is to be congratulated. Such an institute is badly needed, for there is no region of the world of equal importance in shaping the trends of politics and economics today that has been so neglected by American scholars.

The purposes of the institute, according to its announcement, are as follows: 1. To accumulate and to correlate information regarding the culture, history, economics and arts of the nations of the region, and of their descendants in the United States, and to serve as a clearing house for this information. 2. To serve as a depository of publications regarding these countries, including such material as books, pamphlets, files of newspapers, and magazines, portraits of pioneers and eminent persons, photographs, pictures, autographs, manuscripts, maps and posters. 3. To assist in the training of students in an area neglected in the past. 4. To assist the community in promoting a better understanding of foreign affairs and of the background of the Americans from this region. 5. To sponsor lectures, conferences and discussions on subjects relevant to this field. 6. To publish scholarly studies in the field prepared by the faculty of Hofstra College or other qualified persons.

The institute is headed by Dr. Joseph S. Roucek, as director. Professor Roucek, in several books and in a long series of papers, has shown outstanding competence in the field of Central and Eastern European studies. Among his associates are Dr. Stoyan Gavrilovic, the Yugoslav Government's Delegate for Italy and the Near East; Dr. W. Hunter Beckwith, dean of Hofstra College; Dr. Oskar Halecki, director of the Polish Institute of Arts and Sciences in America and member of the faculty of Fordham University, and Dr. Feliks Gross, secretary general of the Central and Eastern European Planning Board.

From the zone of smaller states between Germany and Russia and the Baltic, Adriatic and Aegean seas have come the events which twice within a generation have shaken contemporary civilization to its foundations. It is well for us, as the sponsors of this new institute affirm, to learn more about this region.

W.L.

The Decline of Civilizations

By FRANCIS NEILSON

I

I LITTLE THOUGHT when I was a choir boy and sang John Keble's beautiful verses that the day would dawn when the words "change and decay in all around I see" would become a text of some modern philosophers. Yet, in the middle of the last century it was not so easy to detect change and decay as it is today. Keble, perhaps, was not thinking so much of the fluctuations in the desires of men and the destruction of their hopes as he was of the eternal law of civilization. Biologically it is all change and decay.

When Samuel Butler gave us his four brilliant works on evolution,¹ he startled the followers of Charles Darwin so thoroughly that they heaped coals of fire upon his head. In 1877 it was a task of singular courage to level shafts of searching criticism against the champion of evolution. Time, however, brings its rewards just as it so often brings its censure, and Butler, having come into his own, is today considered by some scientists to be far wiser than the Darwinians themselves. The amateur who was scorned is now welcomed by the professionals. Perhaps no one during the nineteenth century delved so deeply into the subject of biological change and decay as Butler. In his "*Luck, or Cunning?*" published in 1886, he says:

All change is *pro tanto* death or *pro tanto* birth. Change is the common substratum which underlies both life and death; life and death are not two distinct things absolutely antagonistic to one another; in the highest life there is still much death, and in the most complete death there is still not a little life. . . .²

¹ "Life and Habit" (1877); "Evolution, Old and New" (1879); "Unconscious Memory" (1880); "*Luck, or Cunning?*" (1886), all republished by Jonathan Cape, London, 1921-22.

² *Op. cit.*, p. 73.

Here, the man who resurrected Lamarck and gave new life to his theory that *sense of need* was the motive force of evolution directs our minds to the ever-present problem of being, which affects all intelligent creatures. This notion of death in life and life in death is perhaps the most profound of all the studies, for it touches everyone at all times, although comparatively few are conscious of it. Butler states:

. . . When the note of life is struck the harmonics of death are sounded, and so, again, to strike death is to arouse the infinite harmonics of life that rise forthwith as incense curling upwards from a censer. . . .³

II

FOR MANY YEARS I had been thinking about this law in connection with the change and decay of nations, so when I read "The Decline of the West" I was somewhat prepared for its message. Spengler writes:

Up to now everyone has been at liberty to hope what he pleased about the future. Where there are no facts, sentiment rules. But henceforward it will be every man's business to inform himself of what *can* happen and therefore of what with the unalterable necessity of destiny and irrespective of personal ideals, hopes or desires, *will* happen. . . . To birth belongs death, to youth age, to life generally its form and its allotted span. . . .⁴

The thoughts that came from this passage drove me to review, as well I should, the work of historians since the days of Grote and Arnold, and the more recent period of Freeman and Stubbs. It has been a fascinating occupation, one that would well repay the student who is now in danger of specializing in some particular branch of historical study to the exclusion of the higher achievement of taking in the whole general view of the fall of civilizations. Strangely enough, much that Stubbs, in "The Constitutional History of England,"⁵ and Freeman, in his historical essays, suggested has

³ *Ibid.*, p. 75.

⁴ Two volumes, translated by Charles Francis Atkinson, New York, Alfred A. Knopf, 1926, Vol. I, pp. 39-40.

⁵ Three volumes (second edition), Oxford, The Clarendon Press, 1875.

been overlooked because there was no special chapter to direct the reader to these findings or to emphasize those similarities of change at certain stages of a nation's development which they noted. One has to seek closely for these references in the various studies devoted to a great person, an event, or a period. Still, they are there and stand as shining lamps for those who need guidance.

May it be that this law of change and decay which is with us from womb to grave is also a law that affects the life of nations? Of course the one is biological and the other is political. The latter includes the economic, the industrial, and the social manifestations which, in turn, are affected by political governance and its laws for or against the well-being of the people. The two are distinctly separate; but there are likenesses that mystify one. Often enough they are so clear that it is difficult to cast aside the thought that something akin to a biological law is forever at work in the rise and fall of a nation. That there were men conscious of this before the days of Brooks Adams and Oswald Spengler is well known to the students whose work was accomplished under Arnold and Freeman. And the foundations laid by these men was so substantial that, when Lord Acton went to Cambridge, he readily found eager throngs for his lectures.

In an article entitled "Lord Acton at Cambridge," by John Pollock,⁶ we learn of the effect upon the students who attended the courses; of the intensity of conviction; and how Acton's feeling passed to the audience "which sat enthralled." He undoubtedly implanted in the mind of the youth of that day the necessity for regarding history in the universal sense and that this can be done only by realizing that the present can be understood solely through a knowledge of the past. Twenty years before, Stubbs had said that the germ of history

⁶ This appeared in the *Independent Review* (England) for April, 1904.

in general "has a deep value and an abiding interest to those who have courage to work upon it."⁷ Then he continued:

. . . For the roots of the present lie deep in the past, and nothing in the past is dead to the man who would learn how the present comes to be what it is. . . .⁸

This note had to be repeated many times, however, before it awoke the insular British student to the great fact that his own history was not only that of an island power but that it had a European significance. Indeed, its roots could be traced back to the dim ages when the Celt shared his culture with the Teuton.⁹

It would be simple for anyone who knows Freeman's work to select whole passages that reflect his consciousness of the pattern of the past in the autumn period of nations. In his lecture, "Europe Before the Roman Power,"¹⁰ he refers to one "question" which from the beginning of recorded history has been awaiting solution. He says:

. . . It is the "Eternal Eastern Question," the undying question between the civilization of the West and the barbarism of the East, a question which has here and there taken into its company such side issues as the strife between freedom and bondage, between Christendom and Islam, but which is in its essence simply that yet older strife of whose earlier stages Herodotus so well grasped the meaning. It is a strife which has, as far as we can look back, put on the familiar shape of a strife between East and West. And in that abiding strife, that Eternal Question, the men of the Eternal City, Scipio and Sulla, Trajan and Julian, played their part well indeed; but it was waged before them and after them as far back as the days of Agamemnon and Achilles, as near to the present moment as the days of Codrington and Skobeleff. . . .¹¹

⁷ Preface to "The Constitutional History of England," Vol. I, written in 1873.

⁸ *Ibid.*

⁹ See Dr. Martin Bang's essay on "Expansion of the Teutons" in *The Cambridge Medieval History*, Vol. I, Chap. VII, pp. 183-218.

¹⁰ "The Chief Periods of European History," 6 lectures, London, Macmillan and Co., 1886, Lecture I.

¹¹ *Ibid.*, p. 5. Sir William Codrington was a soldier who commanded in the Crimean War, and General Mikhail D. Skobeleff was a Russian who figured prominently in the Turkish War of 1877.

The sweep from Herodotus to Skobeleff is a mighty one, but who, today, would blink the fact that the "Eternal Eastern Question" has not been laid? It is now a sinister problem so far as Western Europe is concerned and within a few years it may become the crucial test of the stamina of what is left in Central Europe.

III

THAT SOME OF THE GREAT NATIONS of the past have been decaying slowly is not a new fact to us. Many observers have told us that Spain, Italy, and France have been in a state of decline for several generations. In the middle of the nineteenth century Renan said, "*La France se meurt; ne troublez pas son agonie.*"¹² The case of Spain is too well known to call for special mention; and as for Italy, before Mussolini appeared upon the scene, she had reached a stage when many thought her position was hopeless. But no Mussolini or Hitler or Franco can do more than spasmodically halt the rot for a short time. Whatever it is that undermines the vigor and resolution of the mass of the people, there is undoubtedly something organic that is wrong, and no injections of the serum of Fascism or Bolshevism can renew the tissue which formerly gave power to the people.

Notwithstanding the criticism of J. H. Round, in "Feudal England,"¹³ I would advise young students of history to take up the Freeman lectures and essays again and study them closely. They are remarkable inasmuch as Freeman's anticipation of the similarities (discovered by the historical investigators, such as Brooks Adams and Oswald Spengler in recent years) are acknowledged if they are not wholly accepted. What could be more significant than the following passage from Freeman's lecture entitled "The World Romeless":

¹² Quoted by Algernon Cecil in "Metternich," revised edition, London, Eyre and Spottiswoode, 1943, p. 10.

¹³ London, Swan Sonnenschein & Co., 1895.

The latest times then are in truth a return to the earliest times, with this difference, that nations have taken the place of cities. Two of the masters of history in later times have pointed out the close analogy between the mutual relations of the cities of old Greece and those of the nations of modern Europe. The lesson has been taught us in its fulness alike by Arnold and by Grote. It hardly fell within the scope of either master to point out how truly the likeness is a cycle, how the later state of things is a return to the earlier, after the existence for many ages of a state of things wholly unlike either. . . .¹⁴

Further on in the same essay he says:

. . . Athens, like Rome, has sunk to be a seat of local kingship; Achaia still lives, if not on her own Mediterranean shore, yet in the lands which reproduce her political life. She lives in a figure in the mountain land (Switzerland), the home of all that is oldest and newest in Western tradition and Western thought. And she lives too in a figure in the vaster federal and vaster English land beyond the Ocean. We indeed feel the Unity of History to be a living thing when we see the work of Markos of Keryneia and Aratos of Sikyōn reproduced on two such widely different scales in the younger hemisphere and in the elder.¹⁵

Let these two excerpts suffice, although one is tempted to cull more from Freeman's philosophy of history, reflections upon other manifestations of change, and about how the orbit of national development shrinks and is narrowed by the rise of the parasitical State.

IV

TURNING TO LORD ACTON, we find that historical inquiry went further and deeper than it had done at any other time in the universities. He says, in "The History of Freedom and Other Essays":

Looking back over the space of a thousand years, which we call the Middle Ages, to get an estimate of the work they had done, if not towards perfection in their institutions, at least towards attaining the knowledge of political truth, this is what we find: Representative government, which was unknown to the ancients, was almost universal. The methods of elec-

¹⁴ *Op. cit.*, Lecture VI, pp. 183-4.

¹⁵ *Ibid.*, pp. 198-9.

tion were crude; but the principle that no tax was lawful that was not granted by the class that paid it—that is, that taxation was inseparable from representation—was recognised, not as the privilege of certain countries, but as the right of all. Not a prince in the world, said Philip de Commynes, can levy a penny without the consent of the people. Slavery was almost everywhere extinct; and absolute power was deemed more intolerable and more criminal than slavery. The right of insurrection was not only admitted but defined, as a duty sanctioned by religion. Even the principles of the Habeas Corpus Act, and the method of the Income Tax, were already known. The issue of ancient politics was an absolute state planted on slavery. The political produce of the Middle Ages was a system of states in which authority was restricted by the representation of powerful classes, by privileged associations, and by the acknowledgment of duties superior to those which are imposed by man.¹⁶

There are many who will not agree with this, because serfdom, in some form, existed in many European States during the Middle Ages. But Acton realized there was a great economic difference between the serf and the slave. According to Thorold Rogers, the serf had not less than twelve acres of arable land and privileges in his lord's forests.¹⁷ But the slave was economically helpless because he was landless.

It is a great pity that Freeman and Acton have been neglected so long. When "The Decline of the West" was published, I fully expected some of the critics to turn to the Englishmen who had lectured on history at Oxford and Cambridge and draw from them comparisons that would be useful in their reviews of Spengler's work. If any did so, I was most unfortunate in not finding them. But even late as it is I would recommend that the student peruse Professor F. E. Lally's book, called "As Lord Acton Says."¹⁸ It is an excellent introduction to the lectures and essays of England's most brilliant historical scholar.

¹⁶ London, Macmillan and Co., 1919, p. 39.

¹⁷ "Six Centuries of Work and Wages," New York, G. P. Putnam's Sons, no date, p. 40.

¹⁸ Newport, Rhode Island, Remington Ward, 1942.

V

THE CONDITION OF THE WORLD today is so parlous that it seems essential for us to give more time to this grave matter of how we came to reach the present stage. The warnings thrown out by Adams and Spengler must have fallen upon dull minds—probably numbered by the propagandists of progress. That cry of facing the future, oblivious of the past, and advancing without reflection has cost us dearly. We need a mind cleansing, a spiritual purge that will wash away the clutterings of the superficial politician who has yielded to the blandishments of the barkers of the modern show.

Is it too late to reflect? We may well ask ourselves that question. Within a few short years after Spengler's work was published, his warnings became realities we had to acknowledge. Caesarism was upon us before we knew it. How incredibly short the time has been since the chief nations of Europe and of this hemisphere looked to the future with hope! Within three-quarters of a century the whole condition of the world has been changed.

It would be difficult to find in the annals of any nation a period in which men looked to a future of security and progress with greater confidence than the British did from the end of the Franco-German War to the meeting at Algeciras. And as for this country, for nearly a generation and a half after the Civil War, serious men seemed to believe implicitly that this was an "Eldorado scarcely scratched" and that fortune was in the grasp of anyone who had the initiative and daring to accomplish "big things." Fifty years ago James Hill said, "The whole west is still wide open." And now, for the second time within thirty years, the youth of our country has been sacrificed on foreign battlefronts, and we have wasted our resources with small hope of redemption or re-

vival. That will depend upon whether or not we are plunged into another world struggle.

Perhaps one of the most remarkable of our deficiencies is the utter absence of a spirit of revolt in the masses—the lack of demand for the restoration of rights. During the last war it was present in some degree in all nations. Now in this country I never hear of it. Surely the acid test of the political virility of a people is whether or not it has the courage to protest. There is no protest today, and, to my mind, this means a palsy has fallen upon us. Undoubtedly much of this may be attributed to the patriarchal schemes of the State, which have undermined the independence and resolution of the people. There may even be a law at work operating against the spiritual stamina of the folk. After long years of struggle against the inflictions of bureaucracies, a weariness has set in which has weakened the fiber and left it a prey to the germs of decay. Whatever it be, the thoughtful man must recognize the fact that this generation has not shown at any time the courage of its predecessors.

In this respect there can scarcely be any difference of opinion about the parallels between this stage in our civilization and the time of the classical nations. But why they are disregarded by those who are at work upon schemes to reform the world is something that can scarcely be explained. The only conclusion one can draw for this neglect of learning from the past is that the past is not now known as it was by those of two generations ago. A manufacturer of motor cars some years ago said, "History is bunk." And I verily believe that the mass of the people agree with that remark. But is it? Richard Crawley, in the introduction to his translation of "The History of the Peloponnesian War," says:

... A lamented historian was able to fight the battle of English party politics under the names of "Nicias" and "Cleon," and there are probably

few books that have so much contributed to the spread of liberal opinions in modern England as Mr. Grote's reflections upon the affairs of ancient Greece. Indeed, as Arnold remarked, the portion of history dealt with by Thucydides is only ancient in the sense that the events related happened a long while ago; in all other respects it is more modern than the history of our own countrymen in the Middle Ages. . . .¹⁹

But neither Arnold nor Grote ever imagined such a disaster falling upon the world as this we suffer. They little dreamed that whole pages might be taken from Thucydides which fit so closely the present burdens of the world that it would be difficult for anyone to cast them aside with the hasty remark that history does not repeat itself.

VI

IN THE HISTORY OF NATIONS we can no longer ignore the manifestation of cycles and repetition of growth and deterioration. Spengler suggests that this civilization is dying of an overdose of history. It may very well be that the historian of the future, in comparing what is now taking place in the world with those events that brought Rome and Greece to the winter of their despair, will say that the only difference is in the fact that the tragedy of our day covers a greater area, goes deeper, and that the outlook for us is more hopeless. Those who wish to be deceived may play at hoodman-blind to their hearts' content, but that we have entered our winter, according to the findings of Adams, Spengler, and many others, is a fact no amount of optimism can hide. Spengler says:

. . . Long ago we might and should have seen in the "Classical" world a development which is the complete counterpart of our own Western development, differing indeed from it in every detail of the surface but entirely similar as regards the inward power driving the great organism towards its end. . . .²⁰

¹⁹ *Everyman's Library*, London, J. M. Dent & Sons; New York, E. P. Dutton & Co., 1936, p. x.

²⁰ *Op. cit.*, Vol. I, pp. 26-7.

When "The Decline of the West" was published, many of its readers thought the leading ideas were new, but one or two reviewers reminded us that they had been expressed several times before by famous philosophers and historians.

There was recently published "The Autobiography of Giambattista Vico."²¹ It is a work that should be in the hands of every student of general history. The life of the famous author of the "New Science" covered the last quarter of the seventeenth century and the first of the eighteenth. Italian is a language I do not know, and I have not succeeded in finding an English translation of the "New Science." Therefore, my knowledge of Vico's philosophy has been gleaned from Croce²² and especially from Professor Robert Flint's profound study,²³ which, to my mind, is a far superior avenue of approach to Vico's work than is Croce's. Flint, who was professor in the University of Edinburgh, in summing up, says:

. . . His belief in cycles or *ricorsi* was, indeed, inconsistent with a belief in continuous progress in a straight line, but not with advance on the whole. . . . He was keenly aware of the gloomy and perplexing features of history; he was convinced that all nations tended to decay, death, and corruption: yet he was no pessimist; nay, he was an avowed and decided optimist, firmly believing that all that happened was for the best, and that the severest sufferings of humanity were of a remedial and educative character. . . .²⁴

Were he at work today, his optimism would receive many hard blows. Certainly he would have to concede that our present state does not evince that we have remedied much or that our education has served us well.

I have found many references to Vico's philosophy in the books of historians and sociologists, but few of our authors

²¹ Translated from the Italian by Max Harold Fisch and Thomas Goddard Bergin, Ithaca, New York, Cornell University Press, 1944.

²² "The Philosophy of Giambattista Vico," translated by R. G. Collingwood, New York, The Macmillan Company, 1913.

²³ "Vico," Philadelphia, J. B. Lippincott and Co., 1884.

²⁴ *Ibid.*, pp. 228-9.

seem to appreciate the significance of his work and its relation to this time. It was, perhaps, far better known by the historians of a hundred years ago than by those of today.

We are reminded by the translators of Vico's autobiography that Thomas Arnold was the first English author to acknowledge his indebtedness to Vico. In his essay, "The Social Progress of States," Arnold realized that

states, like individuals, go through certain changes in a certain order, and are subject at different stages of their course to certain peculiar disorders; [that] the largest portion of that history which we commonly call ancient is practically modern, as it describes society in a state analogous to that in which it now is; while, on the other hand, much of what is called modern history is practically ancient, as it relates to a state of things which has passed away.²⁵

VII

FOR MORE THAN HALF A CENTURY after Vico died the ground cultivated by him lay fallow, and then Jacob Burckhardt (1784–1817) gave his lectures in Basel. He is likened by a few of our discerning writers to Henry Adams, but it seems to me the similarities of thought are more akin to those of Brooks Adams than to those of his brother. Burckhardt, in "Force and Freedom," says:

I have no hope at all for the future. It is possible that a few half durable decades may still be granted to us, a sort of Roman imperial time. I am of the opinion that democrats and proletarians must submit to an increasingly harsh despotism, even if they make the wildest efforts, for this fine century is designed for anything rather than true democracy.²⁶

The "endurable decades" came and passed, and now despoticisms of an order never imagined by Burckhardt have fallen upon Europe and threaten to enslave its people. In this Eurasian calamity we should ponder the following:

. . . By no means every destruction entails regeneration. Just as the destruction of a finer vegetation may turn a land into an arid waste for

²⁵ Fisch and Bergin, *op. cit.*, p. 85.

²⁶ Edited by James Hastings Nichols, New York, Pantheon Books Inc., 1943, p. 8.

ever, a people which has been too brutally handled will never recover. There are (or at any rate there seem to be) absolutely destructive forces under whose hoofs no grass grows. The essential strength of Asia seems to have been permanently and for ever broken by the two periods of Mongol rule. Timur in particular was horribly devastating with his pyramids of skulls and walls of lime, stone and living men. Confronted with the picture of the destroyer, as he parades his own and his people's self-seeking through the world, it is good to realize the irresistible might with which evil may at times spread over the world. In such countries, men will never again believe in right and human kindness. . . .²⁷

In Burckhardt, too, I find many other likenesses to the thought of Brooks Adams. The following passage might have been written for "The Law of Civilization and Decay." Nichols says:

And back in the days when there was scarcely a socialist party of note in Europe, Burckhardt foresaw economic socialism as the end of this democratic tendency. When all the other "rights of the people" had been exploited, and "envy and greed" encouraged by their success, then would come the turn of personal and family property and wealth. "I don't fear the evil will come from sudden attacks so much as from gradually increasingly socialistic legislation."²⁸

In glancing back at the precursors of Spengler, it is surprising to find in their writings this critical examination of economic, political, industrial, and sociological conditions and, at the same time, almost the identical phraseology used in expressing the opinions. For example, Spengler says:

. . . Of great painting or great music there can no longer be, for Western people, any question. Their architectural possibilities have been exhausted these hundred years. Only *extensive* possibilities are left to them. Yet, for a sound and vigorous generation that is filled with unlimited hopes, I fail to see that it is any disadvantage to discover betimes that some of these hopes must come to nothing. . . .²⁹

Brooks Adams wrote in the same way:

²⁷ *Ibid.*, p. 363.

²⁸ *Ibid.*, pp. 34-5.

²⁹ *Op. cit.*, Vol. I, p. 40.

Thus the history of art coincides with the history of all other phenomena of life; for experience has demonstrated that, since the Reformation, a school of architecture, like the Greek or Gothic, has become impossible. No such school could exist in a society where the imagination had decayed, for the Greek and Gothic represented imaginative ideals. In an economic period, like that which has followed the Reformation, wealth is the form in which energy seeks expression; therefore, since the close of the fifteenth century, architecture has reflected money.³⁰

And, yet, those who wish to be deceived scarcely ever pause to reflect on what happened to the optimists of other ages. The soothsayers of Greece and Rome were no different from those who use the radio morning, noon and night. Before anyone here realized the coming of this catastrophe, I wrote:

Those who imagine that this civilization is proof against decay disregard the warning which is present in the history of the decline of every people that has passed. They seem to be under the impression that inventiveness and machinery or, to use the much-worn phrase, scientific approach, will enable us to escape what other nations suffered before their fall. There were always, however, optimists in every civilization who took just exactly the same attitude. The soothsayers our universities turn out are no different from those of classical times. No doubt, in Babylon at the time of the rise of Assyria, there were numbers of soothsayers to tell Sennacherib that his policies were sound and that his State was founded upon a rock. They did not tell him that his slaves would welcome the enemy, that his bureaucrats were discouraging producers, and that the internal discontent of his State was a danger which threatened to undermine its alleged stability. In Greece, too, there were many soothsayers, even a few days before the end came, when the freeborn Athenians who were captured as slaves were branded with the stamp of the coat of arms of Athens. . . .³¹

VIII

SUPPOSE OUR OPTIMISTS were to take my humble suggestion and go over the works that I have mentioned as forerunners of the thought of Brooks Adams and Oswald Spengler, in

³⁰ *Op. cit.*, new edition, with an introduction by Charles A. Beard, New York, Alfred A. Knopf, 1943, p. 348.

³¹ "Man at the Crossroads," Appleton, Wisconsin, C. C. Nelson Publishing Co., 1938, pp. 267-8.

order to learn something of the past. I believe that they would realize it is high time to point the dangers of apathy and ignorance. I can very well understand how the reader of today, so short of real schooling, would turn from "The Law of Civilization and Decay" as being merely the opinion of one man—Brooks Adams. Not knowing the world of thought that lies behind the work it would leave little impression upon his mind. With Spengler it is altogether different, because only very few people would give the time to read "The Decline of the West," even if they were qualified to fathom its deep significance. It is too big, too varied in scope for the man of today. But Brooks Adams' volume is one that any intelligent person can read from beginning to end and, in some respects, he has a clearer economic knowledge than Spengler had. Adams' chapter on "The Eviction of the Yeomen"³² might have been written by Thorold Rogers. And in the brief survey of "The Suppression of the Convents"³³ Adams neglects no essential part of the story of that crime. It is remarkable how he has compressed into one comparatively short book so much history.

One may object to such a narrow statement of the causes of decay as the following:

Thought is one of the manifestations of human energy, and among the earlier and simpler phases of thought, two stand conspicuous—Fear and Greed. Fear, which, by stimulating the imagination, creates a belief in an invisible world, and ultimately develops a priesthood; and Greed, which dissipates energy in war and trade.³⁴

It was not all fear and greed by any means. For these two demons must have been present in the nature of the people at all times. To my mind these become the symptoms of decay, but for long centuries the springtime of a people seemed to be proof against them. When the people were

³² *Op. cit.*, Chap. IX.

³³ *Ibid.*, Chap. VIII.

³⁴ *Ibid.*, p. 60.

historyless in their early spring, they were townless, and their laws—unwritten—were those of the land-cultivating tribe.

Neither Adams nor Spengler mentions the findings of Sir Henry Maine,³⁵ nor do they seem to realize that the simple economic principles of the springtimes they refer to as having passed away still exist in not a few Indian communities. And, yet, both men seem to be conscious that the historyless people survive. Indeed, Spengler grants that point although he says that the end of the winter means the return to the fellahen. Perhaps the only chance that is left is to revive the religious and economic conditions of the early culture. Depopulation of the cities, as a result of a return to the land, might lead to salvation—economic and spiritual.

Adams, in "The Law of Civilization and Decay," holds out no hope that we can grasp and turn to our advantage. Spengler, on the other hand, says:

. . . But from Skepsis there is a path to "second religiousness," which is the sequel and not the preface of the Culture. Men dispense with proof, desire only to believe and not to dissect.³⁶

This is to be found in the chapter on "Nature-Knowledge" in the first volume, but Spengler does not elaborate in that chapter what he means by this "second religiousness." In the second volume, he touches upon it in several places as a condition into which we might enter, and in the chapter on "Pythagoras, Mohammed, Cromwell," he says:

. . . The Second Religiousness is the necessary counterpart of Caesarism, which is the final *political* constitution of Late Civilizations. . . . It consists in a deep piety that fills the waking-consciousness—the piety that impressed Herodotus in the (Late) Egyptians and impresses West-Europeans in China, India, and Islam—and that of Caesarism consists in its

³⁵ "Ancient Law," *Everyman's Library*, London and Toronto, J. M. Dent & Sons; New York, E. P. Dutton & Co., 1931; "Early History of Institutions," 6th ed., London, John Murray, 1893; "Early Law and Custom," New York, Henry Holt and Co., 1883; "Popular Government," London, John Murray, 1885; "Village Communities," New York, Henry Holt and Co., 1876.

³⁶ *Op. cit.*, Vol. I, p. 424.

unchained might of colossal facts. But neither in the creations of this piety nor in the form of the Roman Imperium is there anything primary and spontaneous. Nothing is built up, no idea unfolds itself—it is only as if a mist cleared off the land and revealed the old forms, uncertainly at first, but presently with increasing distinctness. The material of the Second Religiousness is simply that of the first, genuine, young religiousness—only otherwise experienced and expressed. It starts with Rationalism's fading out in helplessness, then the forms of the Springtime become visible, and finally the whole world of the primitive religion, which had receded before the grand forms of the early faith, returns to the foreground, powerful, in the guise of the popular syncretism that is to be found in every Culture at this phase.³⁷

I would that this were probable, but the question it poses is: Are we not too far gone in our decline to place our hopes upon a redemption of this order? The present war had not begun when Spengler passed away and, although he foretold it, he could not possibly have imagined its immensity. When other civilizations declined and a second religiousness appeared, there were still great areas of the world in which not only new civilizations were to know their springtime, but there was also a sense that somewhere beyond there was in virgin lands a refuge to be found for those who dared venture forth. Today every frontier is sealed. The omnipotent State in every section of the globe rules whether a visitor may cross its frontier. That was not so with the classical civilizations. However, there may be a way that a second religiousness might open up new vistas to the despised and rejected of the State—the all-too-many.

I wonder that neither Adams nor Spengler gave more thought to his cursory remarks on practical mysticism³⁸ and did not associate it with a goal to be reached. Such an idea would, of necessity, have forced them back upon the economic conditions that existed before fear, greed, and envy

³⁷ *Ibid.*, Vol. II, pp. 310–11.

³⁸ Cf. Brooks Adams, *op. cit.*, Chap. IV, and Spengler, *op. cit.*, Vol. II, Chap. IX.

became, as it were, the foundation stones of the State, temporal and spiritual.

IX

A REVULSION OF FEELING on the part of the worshippers of the State may turn them to a second religiousness. But if it should, it could be effective in only one way—to make itself proof against the power of the politician, the architect of the State. It would be essential for the people to understand thoroughly that their economic salvation lay in producing only sufficient for their needs. For I hold that, if the people have no surplus, a politician cannot exist. Their only hope, indeed, would be to have little or nothing upon which the parasite could feed. This would mean a return to practical mysticism³⁹—a union with the Godhead—as clear a conception of worship as they had who raised the first altar, a token of thanksgiving to the Provider of the source of their sustenance.

Thomas Paine, in his observations upon "The French Declaration of Rights," says in a note:

There is a single idea which, if it strikes rightly upon the mind, either in a legal or a religious sense, will prevent any man, or any body of men, or any government, from going wrong on the subject of religion: which is, that before any human institutions of government were known in the world, there existed, if I may so express it, a compact between God and man from the beginning of time; and that as the relation and condition which man in his individual person stands in towards his maker cannot be changed by any human laws or human authority, that religious devotion, which is a part of this compact, cannot so much as be made a subject of human laws; and that all laws must conform themselves to this prior existing compact, and not assume to make the compact conform to the laws which, besides being human, are subsequent thereto. The first act of man, when he looked around and saw himself a creature which he did not make and

³⁹ See Raymond Bernard Blakney, "Meister Eckhart," New York, Harper and Brothers, 1941; Rufus M. Jones, "The Flowering of Mysticism," New York, The Macmillan Co., 1940; Evelyn Underhill, "The Mystic Way," London and New York, J. M. Dent & Sons, 1929; and Francis Neilson, "The Return to Mysticism," AM. JOUR. ECON. SOCIO., Vol. 2, No. 4 (July, 1943), pp. 503-16.

a world furnished for his reception, must have been devotion; and devotion must ever continue sacred to every individual man as it appears right to him; and governments do mischief by interfering.⁴⁰

Religion did not spring from fear. Its origin came from the soul of thankful man who worshipped the Provider of the source of his needs who had given to him, as the classical writers tell us, the earth, the sun, and the rain for his happiness. Early man knew this far better than our philosophers. In this way the second religiousness might be the avenue through which our heirs may pass to a serener day.

Chicago

⁴⁰ Quoted in "Thomas Paine," by Harry Hayden Clark, New York, American Book Company, 1944, footnote, p. 134.

The Rising Tide of Xenophobia

IN LIMITED NEW YORK CIRCLES one hears much talk of the rising wave of xenophobia. It is argued that fear and suspicion of the alien is more widely prevalent than after the first World War. The peace, it is alleged, will find us erecting barriers not only against alien immigrants, but against alien culture—literature, music, art, cookery.

The last art, one is compelled to admit, is in nationalistic peril. Vitamins and cuisine are in many respects mutually exclusive, and we are sold on vitamins. As for the rest, one wonders where the xenophobologist gets his data.

So much one knows: you can speak a foreign language, even German, at any street corner in the United States and receive never a dirty look from the passerby. Such was not the case in World War I. To speak German, or any language that sounded like German was to invite a blow in the face. We banned German opera completely. We refused to listen to a Beethoven symphony. Our most canny museums took Albrecht Dürer from the walls and consigned him to the stock room.

That was what we were like in 1918. Are we like that today? Not a bit of it. If we have good taste, we go eagerly to hear good music, to see good art, whether of the United Nations or the Axis. If we have bad taste we are internationally tolerant in our choice of rubbish.

The American people have made immense strides toward cultural enlightenment since 1918.

Of course we have with us now, and shall have with us until psychiatry has risen to its opportunities, persons who fear every stranger, every strange speech, every strange expression in art and literature. They are mostly persons who are ill, or old, or disappointed in their personal ambitions. They are not a very respectable minority. The full blooded mass of Americans do indeed maintain that for the general purpose human there is nothing like an American. The writer, on peril of his hard-won repute for cosmopolitanism, maintains that too. But our American world is wide and full of varied opportunities. We like our own type but recognize that God in His goodness has found uses for other types too.

Xenophobia: what a word, to cover next to nothing.

ALVIN JOHNSON

*New School for Social Research,
New York*

The Record of the Subsistence Homesteads

By T. SWANN HARDING

IN ANY RATIONALLY PLANNED postwar America there should be a place for subsistence homesteads—part rural, part urban; part agricultural, part industrial. These should be entire planned communities created in a single integrated operation. They should be built functionally or scientifically and occupied by families trained and willing to produce part of their living requirements from the soil.

We have done a lot of jesting about such subsistence homesteads as we already have had. The general public would get the idea from this that the homesteads have been extravagantly expensive examples of stupid boondoggling. Actually very valuable scientific experiments have been performed and much has been learned that will enable us to go ahead more wisely in the postwar world if we but heed. Moreover, some of the homesteads were very successful.

I

THE SUBSISTENCE HOMESTEADS projects were originally established by the Subsistence Homesteads Division of the Department of the Interior under Section 208 of the National Industrial Recovery Act. Contrary to the views of many people, they stem not from Dr. Tugwell but from M. L. Wilson, now Director of the Extension Service. They were transferred to the Resettlement Administration in 1935, to the Department of Agriculture in 1937, and later to the National Housing Agency. In all, thirty-three projects were initiated by the Division.

We are not concerned here with details in the careers of individual projects. What is of moment is the general pat-

tern of their development. What was found out? What did we learn from this experimentation? What was the history of the projects as a whole?

However, there should be noted here, as an example of success, the five subsistence homesteads projects not far from Birmingham. Some 5,000 acres are involved, with one-half the original families in occupancy after a decade. A profitable program with satisfactory soil use has been carried out. Live-at-home production has been emphasized.

Of sums due since the first families settled in 1935 about 98 per cent has been collected; occupancy has averaged just under 98 per cent, turnover around 10. The homesteads have all community and other facilities required for a good standard of modern living. Convenient bus service enables industrial workers to get back and forth from jobs easily.

Many individuals had considered subsistence homesteads in the abstract and had theorized upon what they should be before any ever appeared in reality. They did not consider themselves idealists but practical planners. Meanwhile a public sentiment favorable to the establishment of experimental homesteads was created and appropriations were sought, while a perfect flood of inquiries came in, based mainly on hearsay.

There seemed to be a definite place in our economy for such projects. Those who lived in them could be employed industrially, part time, either in nearby plants established as private enterprises, or in small workshops, or at isolated machines set up in the project. The remainder of the time they would work on their own land to produce much of their subsistence. Thousands of Americans thought that would be just great.

In time the appropriation was secured and the job of sorting the applicants was undertaken, while the location of the

projects had still to be decided upon. Ultimately the projects were completed, the selected occupants went into residence, and great enthusiasm reigned. Very often so many social activities were arranged and so much community neighborliness was organized that many families complained of being "clubbed" to death.

This was the initial era of good will when everything pointed to great success. But even then there was diffidence among the settlers about being regarded as members of a separate community. They wanted urgently to be regarded as part of the larger community nearby.

II

THEN CAME ADMINISTRATIVE CHANGES in Washington which necessitated very considerable changes in the local management of the homesteads. This caused much defeatism and despair. Discontent in some cases bred open rebellion. There were minor revolutions and walk-outs. The quitters left the projects. A residue of serious settlers, determined to make a success of the projects, remained.

This was followed by reorganization of the affected projects on a new level and with distinctly less community life. There was a degeneration of the original cultural pattern, a gradual infiltration of higher income groups, and a trend towards absorption into the larger community. Those in the projects now regarded themselves as part of the nearest large town or city. Ultimately the project differed entirely from the original theoretical abstraction.

Factors that contributed to the relative success or failure of projects were the age of those who lived there, the size of the families involved, the cultural pattern, race, education, and previous agricultural experience of the settlers. Thus a group of Jews with little agricultural experience, who moved as a unit from city slums, did not permit their intellectual

differences to interfere with their spontaneous community social life.

Whereas the community life of certain Gentile groups was less spontaneous originally, it more easily degenerated into mutual hostility when intellectual differences appeared. On the other hand the Jews enjoyed a friendly social life, even after their failure in a community clothing manufacturing enterprise produced animated bickering among them.

Many of the project settlers were radicals, many were conservatives. A considerable number mistook a desire to better themselves for a desire to co-operate. They were very frank to acknowledge this later. Whereas they had sincerely supposed they wanted to co-operate closely in community living, they found that when their economic status improved, all desire for co-operation vanished. Many remarked how signally they had misjudged themselves.

Many also had imagined that they urgently wanted to dig in the soil, produce part of their food, get close to nature, and they did—until their incomes improved. In practically every case, however, as the family income passed a certain fairly well-defined point—say, for example, a hundred dollars a month for a family of four—most desire to dig in the soil vanished, and the subsistence features of the homestead subsided.

On the other hand there was evidence that people with an agrarian background continued to like working in the soil, even when their incomes improved. The ideal condition would no doubt be to have a good mixture of agricultural and industrial families so that balance could be preserved even in prosperity. In any case everything possible must be done to prevent those who live in such homesteads from thinking of themselves as government wards.

One such homestead had a community social life so diverse, complex, and spontaneous that federal officials took note of

it. The people had taken over a small building used as an office while the project was being constructed and had, by purely voluntary work and out-of-pocket expenditures, made this into a community house where they had frequent functions. The officials felt that such a project deserved reward so an expensive community house was built and presented.

The results were unfortunate. The people on the project refused to use the new center. Their community life died out; their social functions ceased. The building presented to them made them feel like government wards and that was anathema.

So great was their aversion to this that the settlers would often pay higher prices for goods to distant stores run by private enterprise rather than buy cheaply at their project co-op stores. Only part of this tendency was attributable to the fact that the dividends which would be paid by the co-op stores were collectible too far in the future to appeal to these consumers.

In no case, however, did the project people want to be regarded as necessarily part of a synthetic or alien social group. There was also a notable tendency to fight the federal government, the project managers, the regulations, or one another—often just to let off steam.

III

WHILE THESE COMMENTS are rather general, they do offer guidance for the future.

Projects must be planned in advance, of course, whether they turn out according to plan or not. That is scientifically fundamental. The plans and programs, however, must be broad in scope and elastic in application. The locations of the projects must be selected with great care; so must those who are to inhabit them. Rigidity in plan must not

be imposed and programs must be adjusted to local needs in all cases. Too great an outburst of spontaneous social life at the start should be discouraged.

Unless the project settlers essentially formed a compact community before they moved in, and already had a complex and satisfactory community social life, it is not to be expected that new social ties will develop quickly. It is better if community life evolves slowly. It will probably last longer that way. Above all, the government must not nurture social activities too diligently or they will vanish.

The project group must not come to regard itself as composed of coddled government wards, a synthetic community supported by charity. It must not even feel that it is so regarded by the local larger community. The project must form part of the larger community in appearance and in reality.

Most of the projects so far set up tended to get into the hands of higher salaried people little interested in subsistence homesteading and merely desiring homes at reasonable prices. The experiment backfired in this way after the walk-outs, because the defense program and the war came along to put money into new pockets. There must be a fresh start after the war with newly selected groups.

Such communities have an important place to fill in the postwar economy of the nation if the lessons of the past have been learned and the findings of previous experimentation are heeded.*

Falls Church, Va.

* [The author is a member of the staff of the U. S. Department of Agriculture but this article is an expression of personal, not official opinion.—EDITOR.]

The Tempo of Urban Tax Reform in New York

By LAWSON PURDY

IT WOULD BE greatly to the advantage of the citizens of New York, I believe, to reform the real property tax by reducing the tax on improvements and increasing the rate of tax on the value of land by gradual changes. But the problem remains of how gradual these changes should be. Can the reform be introduced in one year, say, with advantage?

If the city of New York were economically operated and were financially healthy, I think it could be. The fact is, however, that New York has been spending more than it can afford for years and for various reasons is a very sick city, financially. Presently I will give some reasons for that statement.

I

FIRST LET US CONSIDER what would happen if, all other conditions remaining the same and assessments being accurately made, we should double the levy on land values. Let us assume that ordinary land and buildings are of equal value. This is not far from the true state of things. The tax rate is approximately 3 per cent. (Parenthetically, I may remark that assessments of property that has depreciated have been maintained at figures that seem unbelievable, not through the fault of the assessors but in order to maintain the borrowing and taxing powers of the city which are limited by the Constitution. This is something which has not heretofore happened in my memory of sixty years. I shall deal with this below; here, by way of illustration, I assume assessments are at market values.)

In the city of New York as a whole, population is increas-

ing and in a sufficient period of time a tax on buildings will tend to fall upon the users because the erection of new buildings will be checked until rents have risen sufficiently to make the ownership of buildings profitable. If an existing tax shall be removed, the ownership of a building will be more profitable until the competition of new buildings has forced a reduction of rents. A tax on land tends to fall upon the owner and only upon him who owns the land at the time the tax is imposed.

The selling value of land tends to be a sum equal to the net rent capitalized at a rate current for such land. Thus if land, free from tax, yields a net rent of \$1,000 and the current yield is 5 per cent, the selling value will be \$20,000. If a tax shall be imposed at the rate of 3 per cent, the land will now be worth only so much as the reduced net rent capitalized at 5 per cent. The value is found by adding the tax rate of 3 per cent to the capitalization rate of 5 per cent; the sum of the two is 8 per cent. The rent of \$1,000 capitalized at 8 per cent, is \$12,500, which would be the value of the land after the tax were imposed. The check of the computation is that a tax of 3 per cent on \$12,500 equals \$375, leaving a net rent to the owner of \$625, which capitalized at 5 per cent equals \$12,500.

If twice as much money is needed in taxes and \$750 is taken instead of \$375, the net rent left to the owner would be \$250. The selling value of the land would be \$5,000 and the tax rate necessary to yield \$750 would be 15 per cent. The formula of adding the capitalization rate of 5 per cent to the tax rate of 15 per cent, which equals 20 per cent, and capitalizing the \$1,000 rent at 20 per cent is shown to be correct, for \$1,000 capitalized at 20 per cent equals \$5,000.

All this is intended to show that, if assessments are made at selling values, the tax rate must be increased by much more than 100 per cent to get double the yield of taxes from land.

Many complications ensue. Vacant land not ripe for use would be abandoned, as much of it has been already. Much under-improved land would be abandoned. All this would require a further increase in the tax rate. On the other hand, some new building would be stimulated, which would tend to enhance the value of such land as is needed for development.

II

NOW LET US CONSIDER some of the symptoms of the present sickness of New York and some of the causes with special reference to Manhattan. The population of the city of New York has grown from 4,766,000 in 1910 to 7,454,000 in 1940. For the same period, the population of the Borough of Manhattan has declined from 2,331,000 in 1910, 48.5 per cent of the city's total population, to 1,889,000 in 1940, or 25 per cent of the city's population. While the total population of Manhattan fell 442,000, the borough's Negro population rose to 300,000, more than 15 per cent of its population.

Meanwhile, the following changes occurred in land values:

LAND VALUES

(Ordinary land, in millions)

City of New York	1913—\$4,590	1940—\$6,933
Manhattan	1913— 3,155	1940— 3,835

Below Fourteenth Street, Manhattan lost more than 500,000 people and, in spite of great overassessment, land values declined in Section 2, which runs across the island between Grand Street and 14th Street, from \$340 million in 1913 to \$261 million in 1940. Section 6 is now largely populated by Negroes. It lies between Lenox Avenue (the continuation, uptown, of Sixth Avenue) and the East and Harlem Rivers north of Ninety-sixth Street. Land values in this area were \$149 million in 1913, and \$118 million in 1940. Section 3, Fourteenth to Fortieth Streets, river to river, remained the same; \$736 million. But it should be borne in mind that the dollar of 1940 is not the dollar of 1910.

The Wall Street section was overbuilt in the Twenties and the new buildings drew tenants from the old. Near the City Hall office buildings rented space for operating cost. The Tribune building and others on the block, assessed for about \$2,250,000, were reported sold for \$250,000. Indeed, I know a building in the neighborhood which can hardly earn \$1,000 a year after taxes, yet it is assessed for \$60,000.

The financial section of Manhattan once was busy and prosperous. The depression hit that section hard and adverse legislation seems to have made such changes that renewed prosperity seems doubtful. At present, due to war conditions, offices are full, but at low rents.

The fine residential section used to be from Sixtieth Street to Ninety-sixth Street, on Fifth Avenue and east of it. The land of a lot 25 by 100 was worth from \$35,000 to \$150,000. Today a fine single family house is hardly saleable at any price and may bring about \$25,000 for 25 by 100. The habits of living of people formerly rich enough to live in such houses have changed. Servants' wages are four or five times what they were and taxes are much higher. Fine parkways and good automobiles have made living in the suburbs easier and pleasanter. The people who paid for running New York have gone in large numbers. They are not likely to return or be replaced. The depression reduced their incomes and income taxes took most of what was left. The present housing shortage has improved conditions somewhat, but the under-lying conditions remain the same.

III

ASSESSMENTS OF REAL ESTATE have not been reduced enough to meet the loss of value although the total reductions in Manhattan have been over \$2,600,000,000 since 1932. For 1939-40 the per capita cost of all budget expenditures was \$76.79. The cost of education for example, was \$13.75. The state paid \$54,000,000 in aid of education making the total about

\$159,000,000. From \$55 per pupil in 1910, the expenses of education have increased to about \$200.

Recent accessions to the population have been of people who do not pay their share. To be profitable, from a strictly fiscal point of view, a family of four must add about \$9,000 to the assessed value of real estate. Heretofore Manhattan has carried the poorer boroughs. It is doubtful how much longer Manhattan can do so.

The following table will show the proportion of taxable real estate in the several boroughs by setting down the per capita value of all real estate, of residential real estate and of real estate other than residential. Manhattan is the only borough in which the value of other real estate exceeds the residential. The figures are from the last full report of the Tax Department of the City of New York.

	<i>All Taxable Real Estate Per Capita</i>	<i>Residential Real Estate</i>	<i>Other Real Estate</i>
City of New York	\$2233	\$1163	\$1070
Manhattan	4300	1660	2640
Bronx	1395	888	507
Brooklyn	1458	972	486
Queens	1783	1150	633
Richmond	1725	1036	689

For the city the value of residential real estate is 52.1 per cent of total. Hotels account for 2.1 per cent and are included with other real estate. In Richmond, which suffers gravely from premature subdivision, 40 per cent of assessed land values is that of vacant land. In 1935 the cumulative arrears of taxes in Richmond amounted to 115 per cent of a whole year's tax levy in that borough. In contrast, Manhattan arrears amounted to only 10.85 per cent of a year's levy. In Queens, however, vacant land accounts for about 24 per cent of the assessed value of land and arrears amounted to 46.36 per cent of a year's levy.¹ Much of the vacant land

¹ See Philip H. Cornick, "Premature Subdivision and Its Consequences," New York, Institute of Public Administration, 1938.

in Richmond is assessed at from \$1,000 to \$5,000 an acre. No taxes have been paid on a great deal of it for years and the owners cannot give it away.

The same deterioration in the real estate market and in the property tax structure is taking place, to a degree, in Manhattan, even though the temporary wartime shortage of homes has buoyed the values of some improved sites. Very costly single family houses are torn down to save taxes. The same fate is in store for costly apartment houses which have apartments of too many and too costly rooms. Before the invention of the elevator and the steel framed building, when horses drew the cars, real estate values were more stable in Manhattan. When skyscrapers came, development was erratic. Rapid transit scattered people over an immense area and increased the cost of government. Now it costs the city about \$35,000,000 a year to meet deficits in the debt service of bonds issued for city-owned transit and about \$30,000,000 in taxes which would be payable on property used for transit if it were privately-owned and the fares were adequate. In the last twenty-five years, some candidates for municipal office have used opprobrious epithets in describing those who would increase fares and most others have said nothing.

The outlook for reform of the city's public expenditures and of its administration of the present real property tax is not encouraging. Hence an effort to reform the tax structure as a whole must be made in a very complex situation—the voters must be educated to seek a total reform of public finance in the city, rather than merely a change in the tax source. Once the citizens of New York understand tax reform in that broad sense and desire it ardently enough to obtain it from their political representatives, it will take several years, I think, not a single one, to install an improved fiscal system in the municipality.

*Robert Schalkenbach Foundation,
New York*

In Memoriam: Helen Swift Neilson; Walter Fairchild

HELEN SWIFT NEILSON of Chicago died on June 18, 1945, at the age of 76, and in her passing this JOURNAL lost one of its most devoted collaborators. A woman of highly cultivated literary taste and keen journalistic sense, she, with her husband, Dr. Francis Neilson, had founded in 1920 the old weekly *Freeman*. Around them they gathered an outstanding group of writers—Susan LaFollette, Albert Jay Nock, Geroid Tanquary Robinson and Van Wyck Brooks were among them—and for four years they produced a journal of opinion of unique literary excellence. Her connection with *The Freeman* was as anonymous as her collaboration with this JOURNAL; her name appeared in it only a few times, in signature to a series of descriptive essays in which she demonstrated her sure artistry in the English tongue. But in the literary standards maintained in every issue, in the exuberance of the writing and the exaltation of the thought conveyed in lively prose, her personality shone through every page of the work.

When this JOURNAL was launched she gave us every encouragement. A daughter of Gustavus F. Swift, the founder of the packing concern, she had a remarkable capacity for business affairs and she gave to the petty business problems of this quarterly publication the same attention that she gave to her own much larger concerns. We met together, in New York, or in Chicago or Green Lake, Wis., once or twice a year every year since THE JOURNAL was founded and reviewed this quarterly's business affairs. She took great pride in the success of the venture, always ignoring her own part in it and encouraging, by her praise, the scholars and men of affairs associated in the project. At the same time she sought to

make available to us the experience of the old *Freeman*, and she liked to look upon this JOURNAL as the heir of its tradition; though we always maintained that the achievement of *The Freeman* was not to be duplicated in our time. Last winter, though she was distressed by illness, she began, for our pages, a sociological study of the houses of Parliament. This would have been of extraordinary value for the functional analysis of democratic institutions; it was an investigation for which she was well fitted by her long study of the British legislature in action, an interest she owed to her husband and the unique rôle he played for a number of years in English politics. Of this work too, her death has deprived us.

Mrs. Neilson was born at Barnstable, Mass., and was educated at Wellesley College. Her best known writings were her book of essays, "Where Green Lanes End," and her biographical novel, "Zack Jones, Fisherman-Philosopher"; in the latter work she sought to preserve the American dialect native to the Wisconsin lake district. She was a zealous supporter of the work of the Robert Schalkenbach Foundation and, with her husband, was a patron of the work of the Henry George School of Social Science in Chicago. She also made large contributions to the work of cultural and charitable organizations and institutions in Chicago, New York and in England. She rendered invaluable service to her husband, Dr. Neilson, as a critic of his work both in this JOURNAL and in his books.

She was a woman of immense practicality, rare charm, gay and vivacious spirit and, most of all, of intense human sympathies. Her memory will be treasured among us.

* * *

WALTER FAIRCHILD, member of the New York bar, who died on May 12, 1945, at the age of 68, was a specialist in real estate law and an authority on title and tax questions. Prolific in his profession because of his competence in his

special field, he was also outstanding as a social reformer. In association with Harry Maguire and others, he worked first through the American Association for Scientific Taxation and later through the Henry George Legislative Committee, seeking reform of the urban real property tax so that this instrument, instead of creating slums and blighted areas and a host of other municipal problems, would operate to promote the most efficient use of land and distribute the benefits of that use to the community. In his zeal for reform he never spared himself and his achievements in its behalf were many and durable.

Born in Berea, Ky., he was educated at Florida University, Berea College and the Cincinnati Law School. Since 1915 he had made his home at Suffern, N. Y., where for many years he was host to an annual conference of land reformers. For some years he served as president of the Torrens Title League and appeared frequently before legislative and realty groups to advocate the more general use of the Torrens system for the registration and transfer of land titles. The reform in title registration in New York State was due in large measure to his work. He acted as counsel for 217 homeowners in Sunnyside, Queens, in their difficulties with the City Housing Corporation over mortgage foreclosure proceedings in 1936 and succeeded in changing the attitude of the courts toward judgment on bond in foreclosure cases.

For many years Walter Fairchild served loyally and devotedly as a director of the Robert Schalkenbach Foundation. When THE AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY was proposed, he at once became an enthusiastic backer of the project and served faithfully as a member of its editorial advisory board. The author of many studies in his field and of a manual of political economy, he was a man of brilliant mind, ready sympathies and unflagging zeal.

W.L.

The Dams and Slums

THE GREAT DAMS of the Tennessee Valley Authority and similar giant works, typifying American progress in the harnessing of inanimate power, would seem at first glance to be a ready symbol of our civilization. But not to Miss Margaret Jennings, English hosiery worker, who was one of four trade unionists from Britain who recently made a six weeks' study of industrial conditions in our war plants. Miss Jennings thought our civilization was symbolized by our great works as a contrast to the slums tolerated by some American workers.

"Our slums are never as bad as yours," she said. "Some of the houses lighted by oil lamps with a water pump outside would never do for us. We wouldn't be allowed to live in them. And with all the land you have, we were amazed to see these houses all jammed up together."

Miss Jennings noticed about our civilization what Benjamin R. Tucker, Henry George and Edward Bellamy observed many decades ago, the co-existence of progress and poverty. We have concentrated on advance in the management of our technological resources, and neglected the human. We have constructed vast agglomerations of capital, and ignored the problems of land and of labor, wasting and misusing our natural resources and the energies and skills of our people. Perhaps in the decades to come the balance will be righted and the social sciences will receive the honor and attention that we now give to the physical sciences.

But the light of oil lamps and the water from outside pumps is not so inadequate. The sad thing about the slums is the misery they measure, the degradation they house, the lack of beauty and of the desire for clean, cheerful surroundings that come from the despair of the people who live in them. These things are symptoms of restricted economic opportunity and unless we enlarge and equalize economic opportunity in all the walks of life we must reconcile ourselves to slums in the shadow of our great works.

W. L.

Judaism and the New World Order, II

The Problems of Sovereignty and Minorities

By LEO JUNG

I

The Conflict Between Sovereignty and Interdependence

SOVEREIGNTY IS the supreme political power or authority of the person or persons whom the citizens as a body habitually obey. The term sovereignty implies the right to make valid laws. Originally, this right was restricted to the king, later on to the Parliament, and the validity to the kingdom, country or district concerned.

The interdependence of the safety and security of mankind today is so obvious a fact that only in some isolationist corners are doubts entertained concerning it. Our new understanding of an ancient situation renders it clear that to the extent to which it implies the absolute power of legislation, sovereignty must be restricted. Not only to the end that every member of the nation be assured of basic equality before the law, but especially also to prevent interference with, diminution, or complete cancellation of, the rights and privileges of any other nation.

Within the family, the group, the district, the states of any nation, it has become self-evident that individual or group sovereignty is a matter of the past, due for abandonment with the burning of witches and resigned acceptance of epidemics, physical or mental, of the centuries before. The Bible knows no bitterer censure of lawlessness in the twilight periods of Jewish history than that every man was a rugged individualist, establishing his own laws of conduct and "*doing what so ever was right in his own eyes.*"¹ The modern man has learned from the failure of the Treaty of Versailles how dangerous it is to permit even liberated nations the exercise of national sovereignty. For in a melodramatic way yesterday's victims of tyranny have shown a habit of changing into today's oppressors of minorities. Only God remains sovereign. No man or group of men. Upon the sovereignty of the Lord does Judaism base the equality of man.

But the elementary fact must not be ignored: the folly of thorough-going national egoism, and its effect on international affairs. Three recent volumes, each written by men of authority, bear out the implications. In "*This Age of Conflict*"² the collaborators found the undermining of

¹ Judges, XVII, 6.

² Chambers, Grant and Bailey, New York, Harcourt Brace, 1943.

the last peace conference not in any outside agitation, but in the suspicions and competing interests of the various democracies at Versailles.

National interests postulating primacy over the common weal of the human family create the breach in the fortress of world justice and democracy through which alert totalitarian adventurers launch their spies, ambassadors, and professional termites to prepare the next "thousand year regime." What Chambers, Grant and Bailey reveal, what, in his book of almost religious fervor, MacIver³ suggests, what the indefatigable Seton-Watson adduces⁴ from the writings of the sainted President Masaryk of Czechoslovakia, beyond figures and style and dated items, is the failure of contemporary democratic leadership, its avowal of noble purpose unquestioned, to arrive prior to the San Francisco Security Conference at a safe and constant basis, from which, with a minimum of friction and vacillation and a maximum of forthrightness and power, the New World Order might have been attempted.

Granted that each president, premier, head of a party, has to cope with the hard realities of democratic leadership, with the unpalatable but unavoidable handicaps of sectionalism and general politicians' misère. But each and all of them, through the co-operation of the clergy, through an organized truly religious crusade for universal happiness, might be supplied with the invaluable help of a ground swell of popular faith in, and willingness to work for, and to surrender its major comfort to, a universal peace based on universal justice.

God must be re-introduced to the common people not as the special possession of separate classes of groups, not with His holy name made almost shabby with overmuch indiscriminate use at mass-meetings, but as the Supreme Court before whom no specious argument, however learned or brilliant, has any chance. In unmistakable lucidity and forcefulness the people must be taught that while He is full of mercy, the Lord will not accept the frequent decking out of selfish efforts with sanctimonious verbiage.

Thus the small nations will learn to collect courage and energy for reconstructive work because they will believe again that they will have a chance of survival, and the bigger nations will re-acquire the power of sustained moral impregnability.

II

Equality Under the Sovereignty of God

ALL MEN ARE EQUAL, because God is the Creator, Father, King, Judge of all men. That applies to nations as well as to individuals.

³ "Towards an Abiding Peace," New York, Macmillan, 1943.

⁴ "Masaryk in England," Cambridge, Cambridge University Press, 1943.

The primacy of the Lord's kingship (as consistently emphasized in the Hebrew Bible, the Hebrew prayer book, and throughout rabbinic literature)⁵ in its practical meaning conveys the principle that "*the ways of the world lead to Him*,"⁶ i.e., that absolute authority, meaning, value, attach to the laws, ideas, and ideals He has revealed.

From earliest times in the history of Israel did His leaders proclaim that God is the sole ruler of the tribes and that the unity of the nation will be established through the government of the One and Everlasting God. It was this God who had spoken to Israel at Sinai when He gave them the Law, who continued to speak to them through priest and prophet, whose words were gathered in His book, the Bible, so that their collective and individual life might thereby be guided. The ethical principles of this Jewish religion were accepted by its daughter religions and the kingdom of God came to mean the time and the state of each heart and mind, or of the human family, in which His supremacy, made concrete by His children, would bring about the messianic era. Therefore, everything that has hitherto been considered sufficient in itself and by common consent has been taken for granted and thus removed alike from the arena of public discussion and from the dictum of the judge in court, must be subjected to the test of the "kingdom of God," examined in the light of His teaching, and changed in accordance with it.

One of the major handicaps has been the principle of national sovereignty. For mankind inspired by a genuine faith in God there is but one absolute: His authority, and in practice, the aim of religion: the peace, happiness, security of the common man. To the extent to which national sovereignty thwarts such planning of universal peace, security and happiness, it is working against the realization of the divine plan. This problem can be solved through the smaller revolution, in the form of voluntary renunciation on the part of each government of its national sovereignty so as to allow the universal sovereignty of the human family to function. That will prevent, or, through a form of non-violent change, render comparatively innocuous, the larger revolutions which have been recurring.

In each case, for shorter or longer periods, these tragic upheavals do but build interim foundations, which, on the impact of a new strong pressure or assault, promptly crumble. Peaceful revolution will develop as does the technique of co-operation between nations, the moral traffic laws

⁵ "Alenu" in the Standard Prayer Book, the "Malkhiot" in the Mahzor for the New Year. Based upon the supremacy of God in Torah and prophets, the divine government of the world as elaborated in Talm. Berakh. 12b, 13b, Rosh ha-Shanah 32 a.b., Maim. Hilkh. Shof. II, 3.

⁶ Habakuk III, 6.

which regulate individual and general progress—even as we have found necessary the green and red lights of municipal ordinance, their occasional hampering of individual motion notwithstanding. The modern version of the ancient Talmudical principle *debiyat tobat ha-prat letobath hakellal*,⁷ (the disregarding or suspension of individual privilege when it interferes with the universal good), evident in wiser statesmanship, has already resulted in an increasing awareness of the need to reduce national sovereignty. Once that is translated into the spheres of home-problems, class-problems, city-problems, district-problems, it will be found not only to help in the solution of the bigger issue but, as a derivative from the good to the whole, equally productive of ultimate good to each narrower circle.

III

The Moral Rôle of Minorities

FROM THE YOUTH of the human race its imagination was its greatest temptation. That may be the message of Genesis VIII, 21. The fact that the survival of the physically fittest appeared as one of the interpretations of the ultimate emergence of human history even to as gentle a soul as Charles Darwin may not be ignored in this connection. Physically fittest in the context of his great argument meant endowed with the sharpest claws, the most vicious teeth, the most ruthless force. That Kropotkin⁸ found those fittest to survive to have been animals with a strong social life and well-developed patterns of co-operation, represents in this connection the projection of the humaner aspect of humanity. At any rate, only the very naïve will assume that even the New World Order will achieve an immediate ennoblement of the race. The present experience of the American people may serve as a lesson.

In the midst of the most critical chapter of our history, with the most treacherous and ruthless of enemies plotting our destruction, we were disturbed by collaborationist, half-hidden friends of Hitler, for whom considerations of their possessions or the retention of their power had primacy over the safety of the republic and the future of humanity. Those conscious or misled saboteurs help to harden the conviction of the thinking members of our nation that both before and after the establishment of the New World Order attempts would be made by special pressure groups either to thwart the new development, or to emasculate it before it had gathered sufficient momentum to sweep away some of the cruelties and follies of the present. Such a counter-effort has been, and no doubt will

⁷ Gitt. 48b-53a.

⁸ "Mutual Help."

continue to be, carefully planned, mightily supported, ruthlessly executed. It is not inconceivable that its sinister purpose, some neo-Fascism, might be achieved by majority vote.

It is in such emergencies that God-conscious folk will remember the divine admonition:⁹ *Thou shalt not follow a multitude to do evil.* The fight for right, even against a majority, presents one of the most painful, if most glorious, responsibilities of minorities. The protest, though not always heeded at the moment, in the heat of the argument, might well prove the trumpet summoning the faithful to another effort to restore the rule of right, temporarily superseded, to its rightful position. Majorities usually are burdened with the normal problems of large masses of people, of organization, of controlling detail by directives. Minorities live by the cause they represent. It is only awareness and appreciation of, and loyalty to, such a cause that will keep minorities alive. Once the cause is protected and fortified against assault, the minority rejoins the group and adds its hitherto separate fervor to the general effort.

The protection of the minority is a matter of justice to the majority. The task of the minority is to keep the principle of the ages before the majority. In this interaction lies the hope and the success of humanity.

IV The Responsibility of Minorities

SAMUEL, GREAT SCHOLAR, head of a famous academy, judge and leader in Babylonia in the third century of the Christian Era, in three words provided a formula of the greatest importance for the millennia of the coming diaspora. "Dina de-malkutha dina—the law of the country (literally, kingdom, i.e., government) is the law (for Jews)."¹⁰ Samuel's dictum was not a novel consideration due to his sojourn in kindly Babylonia. Hundreds of years before him Jeremiah, on the eve of the great calamity and in anticipation of the confusion that would beset the hopeless exiles, had admonished them thus: "Seek ye the peace of the city whither I have exiled you and pray unto the Lord for it, for in the peace thereof shall ye have peace."¹¹ And only a short while before Samuel had the Mishnah recorded the similar sentiment of Rabbi Hanina, Vice Chief Priest: "Pray for the welfare of the government, (of Rome), for were it not for the fear thereof a man would swallow his neighbor alive."¹²

⁹ Exod. XXIII, 2.

¹⁰ B. Kama 113b; B. Metz, 73b; B.B. 54b, 55a.

¹¹ Jeremiah XXIX, 7.

¹² M. Aboth III, 2.

Samuel's principle, as all the other Tannaic¹³ ones, were discussed in the academies of his time and of successive centuries. There are various interpretations.¹⁴ On the minimum interpretation his dictum implies just the religious obligation to pay taxes, and to help to promote in war and peace the welfare of the country of one's adoption. The maximum interpretation would place every civic obligation or problem except conformity to Jewish ritual under the authority of the state wherein the individual Jew resides.¹⁵ The universal acceptance by the Jewish people of this decree, even according to the minimum interpretation, made them patriots, for whom there was added, to the normal gratitude and fealty of the other citizens, the religious motivation of loyalty to the country. The minimum interpretation allowed, however, the cultivation not only in theory but in all intramural, *i.e.*, intra-Jewish relations, of the ideas, institutions and practices of Judaism, whilst obeying in general the law of the country. These included especially the tolls and taxes and other burdens which the king, conceived as the owner of the soil of the country, sought fit to impose upon what then were his subjects.

But where the maximum meaning was attributed to Samuel's law, the practice of Judaism often had to confine itself to ritual and educational work, whilst, even in intra-Jewish affairs, all commercial, industrial, and other relations would be governed by the legal traditions and practices of the country wherein one resided. It is here that Samuel's monumental decision proved of definite disadvantage. It arrested development¹⁶ of important aspects of Jewish law, preventing by sheer non-use its further growth from a very promising initial achievement in rabbinic literature. Thus potentially vital contributions to the social good were frustrated *ab ovo*. While, *e.g.*, the Responsa literature of the rabbis contains an

¹³ The Tannaim were the teachers of the Mishnah, edited by Rabbi Judah the Prince, about 200 c. e.

¹⁴ Maim. Hilkh. Mel. X; Shulhan Arukh Yoreh Deah CLXV, 8 (comment of Shakh); ib. CXXXIV, 3; and Hoshen M. LVIII—all reflect them.

¹⁵ The Shakh (Rabbi Shabbetai haKohen), Hoshen Mishp. CCCXLIX is among the maximalists. The minimum interpretation is represented by Adreth (Responsa LXX) Maharik (R. I. Kolon) (Responsa CLXXXVII), and others, whilst Remo (R. Moses Isserles, co-editor of the Shulhan Arukh), lists situations where acceptance of the local rule might imply violation of a Jewish ethical principle. Minimalists would not otherwise have objected to opportunities for adjudicating before secular non-Jewish courts whatever disputes arose. Yet, one ought to mention the misgiving that by such recourse to non-Jewish courts, Jewish Law on the subject and with it part of the vita! Torah might become obsolete.

¹⁶ Prof. Louis Ginzberg drew my attention to a very interesting passage in a letter of Maimonides, to be found in Kobetz Teshuoth ha-Rambam XXVI, 2, in which that great sage refers to the relative unfamiliarity with certain aspects of Jewish law of scholars living in countries where the maximum meaning was read into Samuel's dictum.

enormous amount of valuable information relating to business, its ethics, practices, and procedures within Jewish law, in terms of correspondence there is a disappointingly small number of animadversions, discussions, and decisions governing the conflicting interests of employer and employee. For in these cases the practice was governed not by the progressive biblical principles as applied in rabbinic legislation, but by the often stagnant secular laws and procedures of the country's courts. For this reason it will be but principle, practice, suggestion, penetrative analysis such as are found in the relevant sources rather than any systematic exposition that this present study will have to offer in kindred disciplines. Nevertheless, the material available is of sufficient significance to merit the careful consideration of the builders of the New World Order.

The principle of *Dina de-Malkhuta Dina* in its application to the problems of minorities today and tomorrow would allow for and, indeed, endorse, cultural pluralism as the way of national and international democracy. It would, or does, provide precedent for each minority, religious or otherwise. Another basic Jewish institution, the Noahide Laws, obviously stress the opportunity and obligation implied in the same.¹⁷

Patriotism, misunderstood in the maximalist interpretation of *Dina de-Malkhuta Dina*, has led to a crystallization of Jewish legal thought in matters of righteousness and social reform. This self-shrinking has robbed the countries of which Israel has been an ever-patriotic group, of the genius of his passion for social reform and of the translation into the prose paragraph of local law of the principles of justice which the Torah has promulgated. For the noblest and abiding contribution of the Jew will forever remain the solidification of his God-consciousness into institutions, attitudes, and laws to advance the cause of human happiness. The tremendous yearning of Israel for Palestine spells not only the realization of a timeless hope, it affords the nations of the world and its leaders a unique opportunity for offering Jewry some compensation for the wrong of two thousand years of almost uninterrupted crucifixion. Beyond that, the restoration of the Jewish homeland will release the great religious energies of Israel. Living in Palestine in accordance with the teachings of the Holy Torah, continuing its exemplary pioneering in national righteousness and stimulated by the dynamic influence of the new awareness all over the world, the Jews will take up again the challenge of the social imperatives of the Torah, and by applying precedent to new conditions, make further contributions towards a better world of tomorrow.

¹⁷ Isaac Lampronti, *Pahad Yitzhak*, s.v.

V

The Problems of Minorities

WITH REGARD to the treatment of minorities valid precedent is to be found in Jewish law. Equality before the law, which in a perfectly functioning democracy would normally protect the citizen of any creed, color, race, has primacy in this connection. But no less significant is another consideration. One opinion among the rabbis¹⁸ holds him whose principle is "What is mine is mine, and what is thine is thine" as of the character of Sodom and Gomorrah. If a millionaire on the one hand were magnanimously content to be satisfied with his possessions but on the other hand were also unwilling to restrict for the poor neighbor's sake his own rights or to surrender some of his possessions to help him, such attitude would betoken not moral neutrality, but immoral selfishness. This type of isolationism, rampant in economics no less than in politics, has become notorious for its baneful effects in the modern world.

Under normal conditions one is morally neutral if he resists the temptation to interfere with his neighbor's rights with the proviso that his neighbor, whose social and economic condition is like his own, exercise similar self-discipline; although, as Dr. A. Heschel points out, the arrangement of Lend Lease before the United States entered the war, indicates that such mentality has its limits and may become impossible. But where the balance is overwhelmingly favorable to a person, his unwillingness to help his neighbor is not at all improved by his implied resolve not to take what the former does not have, or what, if he had it, were not worth the rich man's attention. This all may serve as an introduction to the ethical necessity of achieving a modicum of justice, in considering the conflicting interests of the over- and under-privileged. That is why on the one hand the Torah is adamant in its classic demand:¹⁹ *Thou shalt not favor the poor man in judgment*, which the rabbis phrased thus: "Let the law (justice) cut through (pierce) the mountain,"²⁰ whilst on the other hand it insists that in borderline cases the benefit be given to the economically, socially, politically, weaker vessel.²¹

Projected upon the plane of minority-rights and problems, this principle holds that minorities, not unlike American corporations, should be made persons before the law, and accorded collectively such help tending towards the righting of the balance as will enable them to work out

¹⁸ Aboth V, 13.

¹⁹ Exod. XXIII, 3.

²⁰ Bab. San. 6b.

²¹ B. Metzia 77a-83a, B.B. 76a.

their cultural, social, economic, and political salvation in any State, or continent, in which they are either numerically the minority, or by force of circumstances dependent upon the good-will of the rest of the populace. It was with such principles to inspire them that Louis Marshall, and Doctors Adler, Motzkin, and Wise were pleading at Versailles not only for Israel, but for the elementary rights of every minority, in Germany, Czechoslovakia, Russia and elsewhere. The New World, to the extent to which it will recognize these ideas and bases of judgment, will be built on the abiding foundations of the work of God.

The alien everywhere has been at a disadvantage. Pharaoh, in plotting the enslavement of the children of Israel set the classical precedent. "They are aliens²²—hence too powerful for us, hence they ought to be curbed, tortured, enslaved." In Slav languages the etymological meaning of the word "stranger" is "stammerer." What strikes the ignorant native as stammering before he recognizes the foreigner's words as belonging to another tongue, and his unwillingness to ascribe to him a native language, is but the projection of a universal dislike of the unlike. Ants and bees act on this principle when they attack and kill outside swarms or groups.

An alien may be different geographically, ethnologically or in relation to this creed. Xenophobia has directed itself against each or all of these differences. Thirty-six times in the Torah are the Israelites admonished to grant the stranger equality before the law, protection against wrong, and to extend to him support, kindness, love. The prose accounts of the Bible indicate that aliens not only could but did occupy high positions in the army or at court.²³

More important is the fact that there was no interference with his inner life. Whilst the various idolatries, often associated with immorality and murder, were officially taboo in Palestine, no denominational difficulties were placed in the alien's way. Only conformity with the seven Noahide Laws was necessary for any non-Jew to enjoy the protection of the courts of justice and the community's support in distress. (Nowadays a careful investigator will find that tolerance is not on the increase but that intolerance has shifted to new grounds. In modern life economic heresy has aroused deeper hatred than theological dissent and almost equal prosecution.) Opposition to any oppression is to be found in the flaming plea for righteousness, the respect for human freedom, the passionate

²² Exod. I, 9, 12, 14.

²³ Ib. XXXVII, 2 *et al.*

appeal against tyranny throughout the Bible and the Talmud, down to the Jewish teaching of our own day.

The king, or head of the state, was not permitted to declare, or summon his people to, war unless he had previously obtained the agreement of the Supreme Court of Seventy-One Judges sitting in solemn session in Jerusalem. It was not merely the consent of the representatives of the people, who might be swept off their feet by tangential considerations, it had to be the considered verdict of the nation's highest judicial tribunal. Each of its members to be elected to such august office had to be married so that his human sympathies were warm enough; and he had to be familiar with many languages so that his judgment might be broad enough, and distinguished by qualities²⁴ that would make the people proclaim him "pious, fit and proper for such position." Each of whom, to be appointable, must possess scholarship, modesty, dignity, courage, and popularity.²⁵ Yet he need not be a Jew by birth, even the sons of heathens might enjoy the privilege of sitting in the "Hall of Hewn Stones" of the Temple, where the Supreme Court held its sessions.²⁶

The law of Judaism would not permit the artificial distinction²⁷ of nationality, of country, of origin, or any other irrelevant argument, to interfere with the right of the alien. Such hospitality is at once morally sublime and very useful. On this principle each country would have a wider choice of judges, an almost unlimited reservoir of the best manpower. In the world of tomorrow, in which, we hope, human beings are to be given every opportunity for self-realization, in the last analysis not only the appointees but the country of each man's adoption would be the winners. And in the capitals of the world, a supreme council composed of the world's most distinguished men, ultimately to guide the attitudes and actions of the united nations, would evolve without much difficulty.

The prophet Ezekiel sounds the note of political universalism in the land of Israel, when he advocates not as a de facto arrangement, but as a de jure direction:²⁸ "And it shall come to pass, that ye shall divide it by lot for an inheritance unto you and to the strangers that sojourn among you; and they shall be unto you as the homeborn among the children of Israel; they shall have inheritance with you among the tribes of Israel.

²⁴ Sifre Bamidbar 92.

²⁵ Tosefta Hag. II, 9.

²⁶ I. Chron. II, 53; San. 104b.

²⁷ Already in Gen. I, 26, re-emphasized in Lev. XVIII, 5; XIX, 34, and especially in Amos IX, 7.

²⁸ Ezekiel XLVII, 22-3.

And it shall come to pass that in what tribe the stranger sojourneth, there shall ye give him his inheritance, saith the Lord God." The last clause (v. 23) is particularly interesting. It prevents any later ill-will from misinterpreting this passage as permitting any segregation of the alien in any particular, especially less favorable, corner of the country. It allows him free choice of habitation in whatever portion thereof he has settled. However, this gain is no prophetic generosity improving "the Torah's less liberal" decrees. Rather is it a reiteration on the basis of an *ad fortiorum* argument (the escaped slave v. the alien) and an application of the old Pentateuchal principle:²⁹ (Even the escaped slave) *He shall dwell with thee, in the midst of thee, in the place which he shall choose within one of thy gates, where it liketh him best; thou shalt not wrong him.* To deny to the escaped slave the opportunity to choose his place "where it liketh him best" is wrong. Jewish tradition deliberately includes the non-Jewish escaped slave in this ordinance, even if his master,³⁰ from whom he escaped, be a non-Jew.³¹

Not only the horrors of concentration camps where bodies are broken, but even the less obvious barbarities of ghettos, Pales, and other devices for searing the soul of the alien or the minority citizen, are thus castigated as wrong and violative of the spirit of religion. One of the potent forces of the regeneration of the human family may come from statesmanship loyal to this principle. But it is to be viewed not as a matter of charitable inclination, but as a postulate of the alien's elemental right.

Rabbi Jonathan Eybeschitz (1690-1764), a passionate pleader for the under-privileged, denouncing the social danger of indifference and stressing social interdependence, draws the picture of a prosperous man who engages passage on a well-built boat provided with sumptuous cabins. He enters the cabin assigned to him and inspects its furnishings and equipment with obvious satisfaction, anticipating a safe and pleasurable voyage. But down in the hold, reserved for less fortunate passengers, a group of gay, drunken fellows lie sprawling. In their besotted state, they pay no heed to the dwindling taper in the wooden socket. Presently, the faint flicker turns into a bright flame, slowly eating its way into the frame of the vessel and burning a sizable hole in it. The waves of the sea come rushing in, and the boat begins to founder and sink. The cabin passenger is startled and bewildered. His own cabin looked so safe and free from all possible danger. Yes, it was perfectly safe. But the boat

²⁹ Deut. XXIII, 17.

³⁰ Gittin 45a; Sh. Ar. Yoreh Deah CCLXXXVII, 45.

³¹ Ibn. Ezra a. l., based on the argument in Gittin a. l.

is more than the cabin; and no passenger on board the most sea-worthy vessel may rejoice in his sense of security as long as there be one compartment not properly safeguarded.³²

VI

Arbitration as a Way Out of Conflict

ALL RELIGIO-ETHICAL PRINCIPLES notwithstanding, human relations must be allowed a margin for disputes. These, if uncontrolled, lead to strikes, lockouts, war. But they can be controlled and adjusted.³³

It is a meritorious thing to bring about a settlement, say the rabbis. Before any dispute is submitted to the court such effort is not only laudable, but, as the fifteen hundred volumes recording the relevant Responsa of the leading authorities indicate, in Jewish life it has been the practice for many hundreds of years. That institution is based on the prophetic demand:³⁴ "*Execute the judgment of truth and peace in your gates.*" In the opinion of the Jewish sages a decision according to the letter of the law may be just without being productive of peace. A judgment aiming primarily at producing peace, may not be quite just. In each case there was not sufficient consideration of *every aspect* of the situation.

In an arbitration in which, within the provision of Jewish law, each party chose its representative, the presiding judge to be selected by the two, both truth and peace³⁵ would be given even chance. Whereas such arbitration in private conflict must be voluntary, both parties *de jure* agreeing thereto, one can readily imagine situations in which through the careful choice of representatives of both sides in any particular case, even compulsory arbitration might be more productive of "peace and truth" than court litigation. As a major way of adjusting the most costly disputes between capital and labor nationally, or between peoples internationally, the general adoption of arbitration might yet prove one of the means of doing away with wars forever. Either a Supreme Court that would decide by majority vote, or voluntary arbitration by the choice of the conflicting parties, or even compulsory arbitration in emergency, should render disputes less acrimonious, one-sidedness less easy and a solution more likely to be abiding as it would be satisfactory.

The institution of arbitration as a means of adjusting conflicting claims is not only very old in Jewish law,³⁶ but its early history is somewhat

³² Yaar. Deb. II, 9.

³³ San. 6b.

³⁴ Zechariah VIII, 16.

³⁵ Ibid., VIII, 19.

³⁶ San. 6b.

shrouded in darkness. That does not apply to arbitration between private individuals, for in such case all that appeared necessary was the agreement of both parties to submit their claim to a tribunal of their own choice. Group arbitration, however, is being taken for granted³⁷ already in the fourth century of this era. It implies in one case at least the right of collective action on the part of wage-earners,³⁸ and in others a court before which, as a measure preventive of social conflict,³⁹ working conditions, wages and cognate matters were discussed and settled. That court is variously described as the district executive committee, as a public court of justice,⁴⁰ or as the private court of a scholar entitled to adjudicate such disputes. In accordance with Jewish law, both parties to the suit must be present when it is being considered. Thus the wage-earners and the employers, or, in case of craftsmen, they and the inhabitants of the city dependent on their skill, will have brought their case before the final authority concerned. The fruit of the arbitration or judicial decision was the gradual building up of a code of law,⁴¹ locally supreme, which would govern the major aspects of employer-employee relations.

The *Minbag ha-Medinah* ("the usage of the country," or district) is of great historical interest, but its principle and procedures are still more fascinating from the point of view of immediate post-war problems. The twenty years between the two world-wars have convinced, one trusts, even the most hopeless standpatter as to the utter folly of the Smoot-Hawley high tariff, which was one of the contributory factors of the American, as of the world, depression. Equally obvious is the fact that with the living standards in the United States very much higher than in all other countries of the world (and surely not reduceable), some sort of device will be necessary to protect the working population and through them the manufacturers and the whole hierarchy of capitalism in our country. No American court, orientated exclusively by U.S.A. needs and views, could ever discover a satisfactory way out. No non-American group, conscious only of its desperate need for a proper balance of export and import as the very breath of its economic existence, could possibly arrive at a mutually acceptable solution. Some "executive committee" of the United Nations, for the purpose of achieving abiding peace, will have to explore every avenue of an arrangement, to settle as soon as possible, and before this pressing issue might cause social infection, this

³⁷ B. Bath 6a.

³⁸ *Ibid.*, 9a.

³⁹ Com. Asheri a. I.

⁴⁰ Tos. B. M. XI, 23; B. B. 9a.

⁴¹ *Ibid.*, 83a.

burning question. Elsewhere in this study we have indicated what, beyond local significance and basic bargaining, it will amount to: the surrender, for the sake of the greater good of abiding social and economic peace, of some of the national sovereignty, or industrial sovereignty.

As the fruit of such compromise not only as a measure of enlightened self-interest, but of moral necessity, the trend towards co-operation and mutuality will receive the vital impetus to carry it along its difficult road. The League of Nations failed because there was too much local pressure, too little of the universal will, neither right spirit, nor unconfined comprehension of this need to surrender some of the national ego for the universal good. To religion, consideration for our neighbor's welfare as a curb on man's normal predatory instincts belongs to the absolutes. The world, as it considers such matters, will discover again an extraordinary, yet to pious folk self-evident, fact: what the law of God recommends or commands as an expression of His will, in its universal results stands revealed as the best, if not the only, way of achieving such "purely secular" ends as peace, co-operation, security.

*Yeshiva College,
New York.*

Progress in Amazon Development

By HAROLD B. GOTAAKS

WHEN PRESIDENT PRADO of Peru motored some months ago from Lima, the capital, over a new highway across the Andes mountains to take part in ceremonies marking the completion of an extension of the road to Pucallpa, a town on the Ucayali River, the occasion was significant for several reasons. It celebrated the linking of the highway and the Amazon River navigation system, of which the Ucayali is a part, to make a trans-continental route across South America from the Pacific to the Atlantic. It was another step forward in Peru's program for the economic development of her trans-Andean territory, potentially important as an added hemisphere source of rubber and other materials native to the tropics. And, finally, it coincided with the dedication of Pucallpa's new hospital.

These factors—transportation, economic development and health work—are closely related in the Amazon region. The Amazon basin, sprawling across the equatorial zone of South America, from the foothills of the Amazon to the Atlantic, roughly covers an area two-thirds the size of the United States. Except in spots along the rivers, it is little developed. Population is sparse and transportation poor, except by the rivers and the new airlines which are helping to open this immense territory to colonization and to use of the forest and soil resources. Malaria and other ills common to the tropics have retarded the economic progress of the valley.

Now the pace of Amazon development has quickened. Before the war, Brazil and Peru saw the economic potentialities of the Amazon and were working on long-range measures to improve transportation and stimulate colonization. But war—and especially the loss to the United Nations of Far Eastern sources of rubber, quinine, fibers, drugs, balsawood and certain hardwoods after Pearl Harbor—gave the Amazon its strongest impulse toward development since the collapse of the rubber boom after the First World War. When the rubber crisis turned the spotlight on the Amazon following Pearl Harbor, there was a lot of over-optimism about the possibilities of increasing quickly rubber production from the Amazon forests. That optimism has yielded to a more sober realization of the obstacles which must be conquered before the rubber, the vegetable oils, the hardwoods and other forest products can be brought into the world's trade streams on a substantially larger scale. Of these obstacles, the most formidable are transportation, food supply and disease.

The big transport planes which fly across jungles and mountains to the rubber producing and shipping centers symbolize the Amazon's new era in transportation. So does Peru's spectacular highway across the Andes. Airplanes bring in food as well as other supplies. Over the longer range, the colonization movement and intensified efforts to encourage local food production should help cover Amazon food needs.

And the Amazon's new era in health and sanitation, backing up economic development projects, is symbolized by the Pucallpa hospital. This hospital is one of several hospitals, dispensaries and health centers completed or under construction in Peru's trans-Andean region. The work there is being done as part of inter-American health and sanitation measures recommended by the Rio de Janeiro Conference of American Foreign Ministers.

These co-operative measures have evolved into a continental program to improve health and sanitation conditions in areas important to the development of hemisphere resources and defenses. Nineteen of the American republics, including the United States, are participating in this inter-American effort to control and reduce the human toll taken by malaria, tuberculosis, typhus, yaws and other diseases. The Rio conference, it will be recalled, laid down the co-operative pattern for large-scale mobilization of hemisphere resources behind the war effort. And the health measures were recommended as supporting measures for the main development work. Health and sanitation measures, as industrial experience has demonstrated amply, are high on the list of preliminary work which must be done before the tropics yield to the productive ventures of modern industry.

The results of the inter-American health and sanitation program are seen in the rise of neat tile and brick hospitals in larger communities and of simple wooden buildings functioning as dispensaries and health centers in smaller towns, and in the appearance along the rivers of launches built and equipped to serve as floating dispensaries. This construction is in addition to extensive malaria control work for the elimination of mosquito-breeding places.

Like the Amazon country, the health work cuts across national boundaries. The Amazon Basin covers territory of six countries—Brazil, Bolivia, Peru, Ecuador, Colombia and Venezuela. All these countries have joined in the program. The work in each is adapted to local problems and needs.

In this primitive region, engineers have to contend with difficulties other than tropical heat, humidity, lowland floods, insects, such as shortages of supplies, especially supplies normally imported from the United States,

like steel.¹ So the engineer turns to clay and brick for building materials. This in turn raises supply problems. Amazon towns mostly are far apart. Water shipment of bulk products is slow. On the upper Amazon tributaries, furthermore, navigation is impossible or handicapped during low water. Consequently, it becomes necessary in some places to establish brick kilns. This was done, for instance, at Guayaramerin, in Bolivia's Beni area, a source of high-grade rubber.

Guayaramerin is a small town at the junction of the Beni and Madeira rivers, important as a rubber shipping point with the increase of collection of latex from the Beni area for export to the United States. The community provided a site for a hospital. The population of the town, as well as the surrounding country, increases with rubber development. The region has a high malaria rate.

Ordinarily, supplies move into the Beni area by way of the Amazon and its tributary streams. Air transport improves communications to the nearer Pacific port outlets. However, airplane service is mainly for passengers and light-weight supplies. Bulk products, such as building materials, still must move by the rivers or by tortuous roads and paths from the highlands into the rubber-producing lowlands. Twenty tons of building supplies, including a tractor and a sawmill, were transported by highway from Cochabamba to Todos Santos in the lowlands, then by cargo launch to Guayaramerin.

Many health centers and dispensaries have been projected for the Amazon country in Bolivia, Peru, Ecuador and Brazil. Work on some has been slow in starting for one reason: engineers have learned that it is best to wait until materials have been accumulated to attain construction efficiency. If the engineer gets half way through a project and then discovers he is short of material, he may have to wait months for his orders to reach distant supply centers and for boats to make the long haul up the Amazon.

One of the first projects in the upper Amazon river region was at Tingo Maria, a rising town on the eastern slopes of the Andes. It is on Peru's new trans-Andean highway. Tingo Maria is an agricultural experiment center. A hospital was built there in 1939. But it was considered inadequate. So it has been reconstructed and improved. During recon-

¹ The Amazon Valley has some of the greatest tropical forests in the world. It is reputed to have at least 2,000 different species of wood. Yet it is not economic to use wood for hospital construction. The substantial Amazon woods, on the whole, are so hard that it is difficult to work them, to drive nails or make bolt holes. The specific gravity of many hardwoods is greater than that of water. And soft woods are not sufficiently resistant to parasites.

struction, it was found that some of the floors of the old hospital had been eaten away by termites.

While termites and insects discourage the engineer from using wood, frequently it is necessary to rely upon local lumber, especially for small structures. Many dispensaries and auxiliary buildings are constructed of lumber, with tile or thatched roofs. Use of shingles for roofing is impractical in the Amazon. The hot sun and the rain warp shingles. So the engineer uses tile or thatched roofs, usually of palms. Thatched roofs are easily replaced. In brick and tile buildings, mahogany, cedar and other local woods serve handily for flooring. In some places the millwork is done in the community; in others the finished lumber is shipped in from the larger towns down river. In Guayaramerin, engineers bought two yoke of oxen, located trees, had them cured and dried and then sawed for the construction of a 20-bed hospital. When I was in Guayaramerin late in 1943, some 50,000 bricks and 15,000 roof tiles had been made locally for the hospital construction. Workers had built thatched roof sheds to dry the bricks. With heavy rain in the Beni, unburned brick can't be left outside.

And wooden buildings need concrete piers or foundations for protection against insects and floods in the rainy season. Rainy season in the Amazon is a relative term. There is a saying that the only difference between the dry and the rainy season is that in the dry season it doesn't rain so much. Ordinarily the rainy season runs from December to May. Ventilation is another important point engineers must consider in the Amazon work. Buildings must be oriented with regard to wind and sun. In many Amazon areas the wind 90 per cent of the time is from one direction. This is due to trade winds from the Atlantic side.

Once the roof is on, work can continue most of the year around, rain or no rain. However, in drainage, diking and other outdoor work, activity must be concentrated largely in the dry season. Labor is relatively scarce in the Amazon. This is emphasized by the need for importing thousands of additional workers to increase rubber collection. High transportation costs are reflected in construction expenses. Compared with delivery schedules in the United States, transport by the river boat is slow. The engineer has this in mind when he insists that materials be on hand before the start of a construction job.

Screening is a supply problem. Some metal screening has been obtained from Brazil. But Brazil has a building boom. Even cement is not easy to get, although Brazilian capacity to produce cement has increased greatly.

Some plastic screens have been used as substitutes for metals. Confronted with wartime shortages, the engineer learns to improvise and to use ingenuity. Construction work generally in the Amazon, in my opinion, has gone along remarkably well, considering the difficulties of transportation, supplies, scarcity of labor. Some indispensable equipment can be obtained only from the United States. This is facilitated by the priority Amazon development rates in light of United Nations need for rubber.

Health work in the Amazon is largely a problem of prevention, rather than cure. The reason is that malaria and other communicable diseases levy the heaviest toll upon human energy and life and prevention pays the largest dividends. Hence much of the construction is designed to prevent disease, rather than cure it. Still hospitals for cure of the afflicted are essential to the Amazon, particularly in the larger communities.

One of the largest Amazon towns is Iquitos, Peru, 2,300 miles upstream from the Atlantic. Good-sized steamers can make Iquitos. Iquitos, consequently, is a collecting and shipping center for the upper Amazon. The overhauling and improvement of the 100-bed Iquitos hospital was one of the first projects in the Peruvian health program. The plans include addition of a 20-bed children's ward, 20-bed women's ward, 20-bed men's ward, a surgical section with operating and X-ray room, administrative wing with out-patient department and kitchen and general service wing, water and sewerage facilities. Engineers encountered shortages of lumber and cement. Iquitos used to get cement from the United States, by way of the Amazon. During the height of the shipping shortage, early in 1943, some cement was obtained from Lima for the Iquitos work. This cement had to be shipped all the way around Cape Horn to Belem, at the mouth of the Amazon, and then up river to Iquitos. A brick shortage was solved by rental of a small brick yard. One by one, obstacles were overcome and work moved forward.

Another important new hospital in the Amazon is at Santarem, 500 miles up the Amazon at the confluence of the Tapajoz river. The Ford rubber plantations on the Tapajoz are above Santarem. Santarem also is a trading center for cotton, sugar, cocoa and other tropical-grown products. It promises to grow with the development of the area, particularly if the rubber plantation industry attains any considerable scale on the pattern of the Ford development.

The Sanatarem project involves construction of a 50-bed hospital, of partly two and partly one story construction. Santarem is about half way between two Amazon cities—Belem and Manaus. It is designed to

meet hospital needs for the surrounding area, as well as for the town. Construction is of tile and brick, with operating rooms and an out-patient department and pharmacy. Equipment and fixtures mostly come from Brazil.

In the Amazon work, United States-trained engineers make available experience of this country in hospital construction and sanitary engineering. The engineers, like doctors and other specialists from the United States, are assigned by the Office of Inter-American Affairs. They are assigned to the special co-operative health services set up by the governments of other American republics for the health and sanitation work. In most of these countries, these special agencies are known simply as "Servicios." In Brazil, it is popularly known as the SESP, from the initials of its Brazilian title (*Servico Especial de Saude Publica*).

The first engineer on the Santarem project was Captain Sam Friedman, formerly of the New York City Department of Public Works. Major Ben Whistler, from the Iowa State College at Ames, was assigned to the work at Iquitos. Peter Pfisterer, an architectural engineer, formerly with the Federal Housing Administration in Washington, has worked on designs for Amazon projects, including the Iquitos hospital. Other United States engineers in the Amazon work include Captain Robert Horton, formerly of the University of North Carolina; Captain Curtis E. Richey, formerly of the Iowa State Department of Health; Captain Chester J. Ordon, formerly of New York City, assigned to Manaus; and John A. Lewis, construction engineer at Riberalta. These are only a few of the United States engineers in the inter-American health and sanitation program. The full list is too long for mention here. All deserve recognition for the contributions they are making to the development of the Amazon as a source of strategic materials and for the raising of hemisphere living standards.

Most of the work, however, is done by doctors, engineers, and other specialists of the Amazon countries. For every United States doctor and engineer at work in the program, there are on the average 25 from the other American republics. The mingling of United States specialists with specialists of the other Americas promotes exchange of knowledge and experience. Undoubtedly this interchange will contribute toward more unified hemisphere practice in engineering as well as in medicine. Many sanitary engineers of the other Americas are being brought to the United States to observe public health practices and to carry on advanced studies.

Unique sanitation problems have arisen out of the Amazon development.

Brazil, for instance, undertook to stimulate migration of workers into the Amazon to increase collection of rubber in agreement with the United States Rubber Development Corporation. Migration camps were set up along the line of travel. Health services were provided for these camps by SESP. Captain Edmund G. Wagner, formerly with the Minnesota State Health Department, had a hand in designing and constructing sanitation facilities for the camps.

The application of modern sanitation technique, like the use of airplanes, makes a sharp contrast with conditions in the first Amazon rubber boom. Then rubber tappers and traders moved into the Amazon without benefit of machines and tropical medicine. Even with machines and up-to-date sanitation methods, conquest of the Amazon offers one of the greatest challenges to man's capacity to subdue nature for his own needs. Brazil looks upon Amazon development as a long-range program, although it has been speeded by wartime demand for tropical-grown materials. The long-range approach is illustrated in a recent five-year agreement between Brazil and the United States for the health and sanitation program, with Brazil putting up \$5,000,000 to top \$3,000,000 from the United States. This agreement also covers the Rio Doce valley, far to the south. The Rio Doce region is being developed as a source of high-grade iron ore, manganese, mica, rock crystals and other minerals. In the Rio Doce, too, modern sanitation technique is being applied along the lines of the Amazon work.

But nowhere is the Amazon development work better illustrated than at Pucallpa, terminus of Peru's motor highway across the Andes. A few years ago, before the completion of the highway, Pucallpa was hardly distinguishable from other towns in the upper Amazon. Now it is the meeting place of the highway and river transportation systems which open a new development phase for the Amazon country.

Supported by health work, by colonization, by new airlines and by machinery, the improvement in overland transportation holds fresh promise for this frontier area. Already it has been demonstrated that the area has petroleum. Pucallpa, with its hospital and its highway connections, with access to the Amazon River system by way of the Ucayali, is rising as a shipping and trading center. In the development of this frontier area, the engineer has a creative rôle. Modern engineering knowledge, like machines, is destined to expedite the development of Amazon areas which long have resisted economic progress because of poor transportation, insufficient food supply and disease. Pucallpa's hospital, while

unpretentious compared with most hospitals in urban centers of the Americas, expresses tangibly and in human terms the meaning of the Rio conference's recommendations for inter-American mobilization of hemisphere resources.

*Health and Sanitation Division,
Office of Inter-American Affairs*

Henry George: Return to England*

By ANNA GEORGE DEMILLE

ON HIS RETURN to New York, in April, 1884, Henry George was again tended a welcome at Cooper Union, by working-men.

Many in America, who had heard his speeches before he started on his European tours might have voiced the opinion of William Saunders, M.P.,¹ who, having heard George in New York, had asked, at that time: "Why does this man, who writes so well, try to do what he cannot do at all, and what he probably never will do well—speak in public?"² Louis F. Post had long felt "there was nothing attractive about his speeches but the message they bear."³ Post was now confirmed in his belief that the reports which had been seeping in from England of the eloquence of his friend were overrated since "there was nothing at all moving in his response to the welcome at Cooper Union."

At the conclusion of this address Post left the hall for a smoke and returning later discovered that George was speaking again and with a thrilling eloquence. "It was not many minutes" says Post, "before I knew why the British press had exalted this man as great an orator as Cobden or Bright."⁴

A few days after the Cooper Union meeting George was given a complimentary dinner at the Cosmopolitan Theater.⁵ But this banquet lacked the brilliance of the one held the previous year, at Delmonico's—few men with "big names" were present. His real adherents were being sifted out of the mass of those who had flocked to him merely because he was the vogue and without really having understood his message. No longer a dramatic novelty, he was being uncovered as a menace to vested rights and special privilege. Those content with or fearful of altering existing conditions were keeping away from the man who was endeavoring to make a fundamental change in the economic order.

A paid lecture at the Academy of Music proved such a financial failure that, with characteristic generosity, George offered to release the managers who had contracted with him for a tour of the United States and Canada.

* Copyright, 1944, by Anna George deMille. A section of a previously unpublished study, "Citizen of the World"; see AM. JOUR. ECON. SOCIO., 1, 3 (April, 1942), p. 283 n.

¹ Founder and head of The Central News Agency, London. For eleven years the treasurer of the "Land Reform League," active follower and devoted friend of Henry George.

² Recounted by Frederick Verinder, General Secretary of the English League for the Taxation of Land Values, in *Land & Liberty*, November, 1921.

³ Louis F. Post, "The Prophet of San Francisco," New York, the Vanguard Press, 1930, p. 62.

⁴ *Ibid.*, p. 63.

⁵ April 30, 1884.

The lecture tour cancelled, he set himself to writing an answer to the attack made upon him by the Duke of Argyle, which had appeared in the April, 1884 issue of *The Nineteenth Century*, and scathingly called "The Prophet of San Francisco"—a title which Henry George thereafter wore with the greatest pride.

The Duke of Argyle was not only a Peer of the Realm and titular chief of the great Campbell clan of Scotland, as well as father-in-law of Queen Victoria's daughter,⁶ but what was more important, he was a man of letters and a philosopher and as author of "Reign of Law" had been much admired by the American. In his bitter, illogical attack on George, however, he showed himself the prince of privilege rather than the economist, the overlord fighting to justify the House of Have rather than the scientific reasoner.

The Nineteenth Century, *Fortnightly*, and *The Pall Mall Gazette* all offered their columns for George's reply, but he chose the first, since it was the one that had printed the attack. He called his answer "Reduction to Iniquity." It appeared in the July, 1884 issue of the magazine. The Scottish Land Restoration League printed the two articles—Argyle's attack on George and George's reply—under the title of "The Peer and the Prophet," and spread the pamphlet throughout Scotland. It was published in the United States under the title of "Property in Land."⁷

Again George turned to his book on the tariff. Installing himself with his family on the Long Island farm belonging to young Walter Cranford, son of John P. Cranford, a devoted adherent, he focussed on the rewriting of "Protection or Free Trade," the first manuscript of which had been lost. "I find it will be just as hard to do as though I had never attempted it,"⁸ he wrote to Thomas F. Walker. From his study window he used to observe the stupid bull that periodically got himself entangled in the tether rope—which is described in the opening paragraphs of the book.

The work demanded concentration but there were periods of relaxation, as when the Thomas Georges came to visit. Henry loved to tease his beautiful black-eyed sister-in-law, Susan. She was as fond of ice cream as he was and while both agreed that Philadelphia ice cream was the best in the world, they indulged in a recurring argument as to where one procured the biggest portion for ten cents—in that city or in New York. He

⁶ His son, the Marquess of Lorne, married Princess Beatrice, fourth daughter of Victoria.

⁷ Published by the Robert Schalkenbach Foundation, New York, 1944, in same volume with "The Land Question" and "The Condition of Labor."

⁸ Jamaica, Long Island, June 13, 1884, Henry George Collection, New York Public Library (hereafter abbreviated as HGC).

contended for the latter place, while she insisted that in Philadelphia the helpings were larger. One afternoon he drove her, in the Cranford surrey, to Jamaica. Leaving her to shop he hurried to the candy store where they were to meet, and ordered three portions of ice cream on two plates. The double portion he left for Sue George, the single portion he started eating. When she came in, he explained that he'd begun—it was hot weather—the stuff was melting. Her gaze fell on the huge mound of ice cream at her place. She flashed her radiant smile in anticipation of pleasure. Then her face clouded. "Oh, Henry! I guess you win after all. You do get bigger portions over here than we do in Philadelphia!" She had forgotten to look for the little tell-tale crinkles at the corners of his eyes.

Work on the tariff book was interrupted, first by accepting an invitation to attend and speak at the Ninth Congress of the Episcopal Church at Detroit, and then by a call to Great Britain.

After "pairing" his vote for Cleveland with one for Blaine, George set off alone, in the autumn of 1884, shortly before election, to make a two-month lecture tour at the behest of the British friends.

The first meeting was a tremendous affair, held again in St. James' Hall, London. Helen Taylor, Michael Davitt and William Forsythe, president of the Scottish Land Restoration League, and others made brief addresses, but Henry George was the chief speaker. Such comment did this draw from the press all over the United Kingdom that at his subsequent meetings, held in quick succession in other cities, and at the one held in Glasgow,⁹ which was a pay affair, people were turned away.

The tour ended as it had begun, in London—but this one (a meeting of the unemployed) instead of in a hall, was held out of doors, in front of the Royal Exchange.¹⁰ Seven thousand were computed to have attended. Two extra meetings were wrung in—one in Liverpool, the other in Belfast, large and enthusiastic, both of them—before he set sail for America.

This third visit to Great Britain was as stimulating as had been the two former ones. Not only was encouragement to be seen in the vastness of the crowds which the American drew wherever he went, and in the space given him by the press but because men in high places were seriously considering his teachings. "A book had happened," chronicles James Louis Garvin,¹¹ "Henry George appeared and like a few since Thomas Paine he awakened new imaginings and aspirations amongst Radical workingmen; they thought they saw a great light. Amongst them that passionate and

⁹ Nov. 21, 1884.

¹⁰ Jan. 17, 1885.

¹¹ "Life of Joseph Chamberlain," London, Macmillan, 1932-4, Vol. I, p. 385.

ingenuous work 'Progress and Poverty' went like wildfire. Chamberlain read it, electrified: the effect on Morley was the same."

The most encouraging sign of all, however, was a report made by the Royal Commission on the Housing of the Working Classes,¹² whose members were men high in Church and State, including the Prince of Wales, Cardinal Manning, Lord Salisbury, etc., which recommended that a local tax of 4% on its selling price be placed upon vacant or inadequately used land. This would discourage the existing speculation in land holdings and encourage the freeing of building sites. (It is well perhaps to explain that now in 1945 as then in 1885, in Great Britain, vacant and unused land, however valuable, is not assessed and pays nothing whatever in taxes. The British landowner is taxed only if his land is in use and he is getting a return from it. It is a scheme as stupid and inefficient as it would be to charge for a seat at the theater only if the occupant remains awake and avails himself of the show, but to charge him nothing if he goes to sleep!) Unfortunately the attempt of the Royal Commission to discourage speculation in land was quashed by Tory domination.

After Henry George returned home in the new year,¹³ he planned lecturing. The time seemed unfavorable however and he kept the pot boiling by writing articles for *The North American Review* and then concentrated on finishing the much interrupted "Protection or Free Trade." In seven newspapers¹⁴ this powerful plea for freedom in production as well as for freedom in exchange was syndicated; the \$3,000 received more than paid for the publication in book form. This was done by the author himself under the firm name of Henry George & Co.¹⁵ His son Richard was associated with him in the enterprise and was jokingly known by friends as "Co." They became the sole American publishers of the cloth editions of the George books.

This business venture launched, George worked on the preparation of a series of articles on "Labor in Pennsylvania" for *The North American Review*.¹⁶ He wrote to Taylor about another project he had thought of: "The Primer is something I have intended to write for a long time—ever since I wrote 'Progress and Poverty,' but have not done so for want of time.

¹² Compare Henry George, Jr., "The Life of Henry George," New York, Robert Schalkenbach Foundation, 1944, p. 453.

¹³ Feb. 9, 1885.

¹⁴ Syndicated in weekly installments in 1885-6: *The Brooklyn Eagle*, *The New York Star*, *The Chicago Times*, *The San Francisco Examiner*, *The Louisville Courier-Journal*, *The Toronto Globe*, *The Charleston News & Courier*.

¹⁵ At 16 Astor Place, New York.

¹⁶ Four articles appearing between August, 1886, and January, 1887.

I had intended to write it this summer but it is now very doubtful whether I will be able to do so."¹⁷

Instead he made plans to start a weekly paper. But an interruption came which caused a complete change in his program.

New York

¹⁷ May 16, 1886, HGC.

Europe's Democratic Future

WE LOOK WITH HOPE and with deep faith to a period of great democratic accomplishment in Europe. Liberation from the German yoke will give the peoples of Europe a new and magnificent opportunity to fulfill their democratic aspirations, both in building democratic political institutions of their own choice, and in achieving the social and economic democracy on which political democracy must rest. It is important to our national interest to encourage the establishment in Europe of strong and progressive popular governments, dedicated like our own to improving the social welfare of the people as a whole—governments which will join the common effort of nations in creating the conditions of lasting peace, and in promoting the expansion of production, employment, and the exchange and consumption of goods which are the material foundations of the liberty and welfare of all peoples.

Along with arrangements by which nations may be secure and free must go arrangements by which men and women who compose those nations may live and have the opportunity through their efforts to improve their material condition. We will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

The heart of the matter lies in action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries. Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made. Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies, and subsidies, and others, are reduced or eliminated. It needs also agreed arrangements under which communication systems between nations and transport by air and sea can develop. And much of all this will miss its mark of satisfying human needs unless we take agreed action for the improvement of labor standards and standards of health and nutrition.

CORDELL HULL

Washington

• R E V I E W S •

A Study of the Social Effects of Public Housing

IT HAS LONG BEEN CLAIMED—and it seems almost too obvious to need proof—that better housing means happier homes, healthier citizens, and a higher grade of citizenship. Not content, however, to base its case on unverified assumptions, the Housing Authority of the City of Newark, N. J., has undertaken a comprehensive study of the social effects of public housing in that city.

Three housing projects were selected for the study, and two methods of investigation were used: (1) a comparison of the health and social conditions among the families living in the public housing projects with the conditions that prevailed among them before they were rehoused; and (2) a survey of conditions of project families in comparison with families of the same social-economic level living in wards outside of the projects.

The investigators were Dr. Jay Rumney, Professor of Sociology, University of Newark, and Consultant to the Newark Housing Authority, and Sara Schuman, the Authority's Research Associate. Some of their major findings, presented in detail under the following headings in a 95-page report entitled "The Social Effects of Public Housing,"* may be summarized briefly:

Tuberculosis—Each year, in the housing projects, 2.9 out of every 1,000 persons 15 to 40 contracted tuberculosis compared to 5.8 of every 1,000 persons in the wards.

Infant Mortality—If the infant mortality rate in the wards had been as low as that in the projects for the two years, there would have been 41 infant deaths per year, instead of 50, in the three wards studied.

Communicable Diseases—In 1942 there was a higher rate of communicable diseases in the combined projects than in the wards, but in 1943 the project rate was less than one-half of that in the wards. In 1943 the rate for the combined projects was also much lower than the rate for the city as a whole.

Birth Rates—The birth rate, adjusted to the number of women 15 to 40, was higher in the projects than in the wards in both years.

Fatal Home Accidents—The superiority of the project population in this respect is shown by the fact that for 1942 and 1943 there was not a fatal

* A limited number of copies are available for free distribution by the authority, 57 Sussex Avenue, Newark 4, N. J.

home accident, as compared with 2.5 per 10,000 persons, in the wards studied.

Juvenile Delinquency—With the exception of one project, the juvenile delinquency rate was lower in the projects than in the wards.

Fires—The number of fires, per 10,000 persons, in the seven housing projects in Newark was 7.9 as compared to 28.2 in the city's dwellings. If the city had the same rate of fires as the projects in 1942 there would have been 291 fires instead of 1,253.

School Children—The records of the project children showed a slight improvement after the children had been rehoused.

This report ought to interest many readers of this JOURNAL, not only because of the detailed data which it presents, but also because of its discussion of the limitations involved in a study of this kind. The authors point out, for example, that:

"When studying the relationship between health and other social conditions and inadequate housing, it must be kept in mind that substandard housing is not a factor that operates in isolation. It is usually accompanied by other consequences of a low income, such as a low level of nutrition, lack of adequate medical care, lack of education, etc. These facts must be taken into account when comparing a badly housed population with a well-housed one. However, these factors are essentially equalized when comparing a publicly rehoused population with groups living in inferior housing, because the economic status of both groups is similar, even though the housing of one group is much better. . . .

"The problem of interpretation was made difficult by the fact that the projects are of such recent construction that they do not afford an adequate time span in which to appraise the effects. However, although two years is not a sufficient period from which to make conclusive generalizations, there is every reason to believe that the benefits of public housing to its occupants will increase over a longer period of time."

Commenting editorially on the report on April 2, 1945, the city's leading newspaper, *Newark Evening News*, expresses the following opinion:

"From the results reported, it is obvious that there is only one thing wrong with low-cost housing projects. There are not enough of them. The report therefore represents a challenge to local initiative and capital, to government planners and to concerted public and private effort for greater slum clearance in the postwar era."

HAROLD S. BUTTENHEIM

New York

Sober Thinking on Money and the Law

Money and the Law. Proceedings of the Institute on Money and the Law held January 15-16, 1945, under the auspices of the New York University School of Law, and the Economists' National Committee on Monetary Policy. Supplement to the *New York University Law Quarterly Review*, viii + 158 pp., \$2.50.

The Institute on Money and Law held a series of five sessions on January 15-16, 1945, in New York City. These meetings were held to correlate the views and ideas of monetary economists, many of whom had had little training in or had been devoting little attention to the legal aspects of money and monetary issues, and those members of the legal profession who had become involved in monetary problems and issues, and who had given "all too little attention to monetary history and the principles of money."

At these five sessions fifteen addresses were made on closely related subjects by the outstanding American experts in their respective fields. These addresses have been published as a supplement to the *New York University Law Quarterly Review*. They comprise not only timely contributions to vital current monetary problems and thought, but strikingly interesting contributions for the layman, as well as for the economist and members of the legal profession.

The first session, on international aspects of the broad correlated subjects, consisted of three addresses by F. Cyril James, Benjamin H. Beckhart and Arthur K. Kuhn. These addresses covered a brief history of international co-operation in the field of money from "the first mention of money in the Bible to be found in the twenty-third chapter of Genesis" to the Bretton Woods program; a discussion of alternative proposals to the Bretton Woods program; and an analysis of the Bretton Woods recommendations in the light of international law.

The second session, on national aspects, consisted of two addresses by Rinehart J. Swenson and Walter E. Spahr, and one with the text prepared by Neil Carothers and Frederick A. Bradford. These addresses covered a discussion of the Supreme Court and power of Congress to regulate money; an outline of the very practical problems created over the years by the confusion in the meaning of "legal tender," "lawful money," and "money receivable"; and an analysis of legal aspects of comparatively recent silver policies of the Federal Government. Each of these three addresses contain fascinating material in the monetary history of the United States. The Thomas Amendment to the Agricultural Adjustment Act of May 12,

1933, and the Public Resolution No. 10 of July 5, 1933, has led, as Professor Spahr points out, "to a denial in one law of what is asserted in another; to the necessity of administrative officials violating the law to avoid accounting monstrosities; and to laying the American people open to various undesirable practices which may, nevertheless, be legal." No longer can an individual, for example, lawfully use gold or gold certificates to pay a debt, public or private. Thus one law nullifies another. And moreover, if a debtor should wish to annoy a creditor by paying off a large obligation in pennies, nickles, dimes, quarters, or fifty-cent pieces, he is now authorized by law to do so!

The third, fourth, and dinner sessions were developed around the combined national and international aspects with addresses by a galaxy of authorities, Herbert M. Bratter, Roy W. McDonald, William H. Steiner, Donald L. Kemmerer, Henry Hazlitt, Edwin Borchard, Edward W. Kemmerer, the dean of our monetary experts, Harvey D. Gideonse, and Edwin S. Corwin. The simple and quite obvious question is raised, if we are not going a little too far in seeking the degree of international co-operation envisioned by the existing Bretton Woods program on the financial front. Countries now in default on obligations to American investors, Herbert Bratter pointed out, "and this includes some countries which today possess the dollar exchange or the gold necessary for the servicing of those defaulted obligations," will have as much voice in the operations of the program as if they were not defaulters. Such contemplated relations between a creditor and a defaulted debtor with available free assets, is most unique and unusual.

Then, the question of politics arises. Will not the views of the trained economists be over-shadowed by political considerations of the moment? If, for example, Greece wants to borrow dollars from an international body and utilized the assistance of the United Kingdom in obtaining a dollar loan from the proposed body, will not the gratitude of Greece be directed primarily in the direction of the United Kingdom, which, "as everyone knows, is today in no position itself to advance dollar exchange?" Who knows? Isn't it almost too much to expect the operations of such an international financial body to be carried on without an unfortunate amount of political maneuvering?

Finally, as one authority after another reiterates, the restoration of monetary order in the world depends, not upon almost automatic ability to obtain credit from a central body, but first, foremost, and always, upon the willingness of countries to arrange their domestic affairs and economies, that is, return to a balanced or near-balanced budget.

Loans, at best, can only supply emergency support, and only when based upon sound internal policies. The extension of credit, of course, should not be countenanced to a nation that is recklessly expanding its currency, or that plans to use the funds to support a heavy rearmament program. "A sound monetary policy is impossible without a sound fiscal policy." Or as Professor Kemmerer thoughtfully phrases it, out of his wide experience, "Nations do not ordinarily deliberately plan a policy of inflation and subsequent debasement. They slide into currency debasement down a political toboggan, and they usually receive their initial push, as well as other pushes on the way down, by unsound domestic, social and political policies, involving the exploitation of their currency systems for fiscal purposes." With a gross national debt in excess of \$300,000,000,000 one year after the end of the war in Asia, the warning is applicable to the United States as well as to smaller, less wealthy countries in all parts of the world.

Here is a series of timely, condensed, authoritative, fascinating, and correlated studies representing the wealth of knowledge of men who are the outstanding thinkers in the field of money and the law, both national and international.

ROY A. FOULKE

New York

Goals for Christian Progressives

The Church Looks Forward. By William Temple, Archbishop of Canterbury. New York: The Macmillan Company, 193 pp., \$2.00.

The Christian Church, as it moves forward in a growing new world fellowship, faces a greater challenge than since the end of the dark ages, the Archbishop of Canterbury who died October 26, 1944, said at a convocation of Canterbury, May 25, 1943. This address became Chapter II in this book of his sermons and addresses, published the year he died. Its opening chapter is his sermon at his enthronement on St. George's Day, 1942, in which he proclaimed the ecumenical movement among Anglo-Catholics as "the great new fact of our era." The values of the Christian faith, he said in the Canterbury address, were in danger of being undermined by a secular humanism.

It was time, he declared, for all communions to unite in proclaiming the Christian aim to lead to a sense of common fellowship. How can the Christian Church persuade "an incredulous world" that it alone has the "secret of unity" while its sects compete with one another? he asked.

The archbishop argued that Christians should meet as "learners" rather than as "champions" of their several traditions. He urged that we take a positive stand after World War II against slipping backward into self-seeking and self-indulgence as happened after World War I. He called for maintenance of "a war footing that our assertion of good will against greed may be effective," and warned against using "for our own greed the force which we maintain." Science must promote fellowship and not be primarily for rivalry, competition or destruction of enemies. We must insist on responsibility going hand in hand with freedom. Democracy, to survive, must "lay more emphasis upon its duties than on rights."

Education, he continued in a succeeding chapter, is "to fit children for their life" here and he commends manual training. The main educator, he found in his experience, was society, which affects home and school.

The book has several inspirational chapters and others dealing with specific problems such as venereal disease, sex frankness, international relations and church festivals.

A group of five chapters on the title theme covers the church's obligation to declare itself on social issues and movements. Dr. Temple, in speeches at several gatherings, covered a chain of social proposals such as an imminent need for new administration of land and credit problems in the public interest. He urged familiarity with the Uthwatt report on the British land problem, which was thrown into relief by Nazi bombings. This emphasized State prerogatives in restoring bombed areas, without interfering with private ownership. The archbishop emphasized dangers of totalitarian control arising from monopoly. He called for balanced planning and social control of agriculture and industry, shying away from national ownership unless it could not be avoided.

A chapter on finance, production and consumption, covered remarks to a group of bankers, in which he emphasized that the attitude of early theologians over property rights was that they were not needed for security of the great property owners but to protect small property owners. Such rights would not need emphasis were we all working voluntarily in the common interest, each mutually interested in seeing to one another's needs. Such was the essence of the communistic spirit of the early Christians, he pointed out. He discussed usury, finance, risk, cost, profits, supply, demand, price, production, advertising and consumption, laying bare the susceptibility of human beings to lose sight of their proper ends, which were, he thought, to combine these instruments into efficient service to society, instead of using them as the means for personal gain.

Noting society's obligation to prevent starvation, the archbishop cited remedial measures and commended the Beveridge Report. He felt that professional managers of absentee-owned enterprises should be primarily concerned over their efficiency in the service of the public, and devoted an entire talk to the problem. The book includes a plea, in a parish address, for short and long-term policies toward the Germans, with a groping for cultural ties to come with future generations in an effort to give them an even chance.

PRESTON KING SHELDON

New York

Jewish Population Studies

Jewish Population Studies. By Sophia M. Robison and Joshua Starr.
New York: Conference on Jewish Relations, 1943, xvi + 189 pp.
\$3.50.

THERE EXIST IN this country several research bodies organized as a direct consequence of World War II, with the aim to analyze and summarize all the various viewpoints on International Jewish post-war problems and their solution, Zionist or other. One such organization, the Conference on Jewish Relations, has come into existence in the politically critical thirties already, as "a nonpartisan association of scholars and laymen devoted to the simple idea that all sound policies and intelligent action in Jewish affairs must be based on the most accurate and reliable information that is obtainable." The Conference concerns itself nearly exclusively with population studies about American Jewry, the numerically most important national group of Jews remaining in the world and living in one country, after the Nazi extermination of half of Europe's ten million Jews.

In addition to separate research projects like the one under review, this New York corporation publishes also "Jewish Social Studies," since 1938, "A Quarterly Journal devoted to contemporary and historical aspects of Jewish Life."

"Jewish Population Studies," the third volume in a series of monographic publications, is a book dealing with statistical facts about American Jews. Demographic material gathered in ten communities in the years 1935-1938, from Connecticut to California, is presented in it in separate chapters, one for each city. Where there were special local sides to the Jewish question in the various cities—Trenton, Passaic, Buffalo, Norwich, New London, Pittsburgh, Detroit, Chicago, Minneapolis, San Francisco—they have been emphasized in these statistical surveys.

In Trenton, N. J., for instance, the demand for a home for the aged caused special tabulations of persons 45 years old and over. The Passaic, N. J., census was concerned specifically with Jewish education, therefore paying special attention to the youth. The Buffalo, N. Y., report stresses the natural increase and fertility rates of the Jewish population and is the only one to include tables relating the size of the family to the duration of marriage, the nativity of the mother and the age at the wedding. The San Francisco, Calif., study was interested in vocational guidance programs in connection with possible absorption of refugees from Germany and Austria.

In the various studies various techniques have been used. In Chicago, Ill., for instance, death certificates were the source for certain demographic data, but this method allows only a limited analysis of those happenings alone which were recorded. Other methods of collecting basic figures on the Jewish population as explained and valued by the editor in a first chapter, are all due to the fact that the U. S. census does not inquire into religious affiliations of individuals. They are: The census according to synagogue membership (unreliable, because incomplete); the census by "Yom Kippur Absence" from school (only rough estimate of total population based on school-age children); sampling methods combined with interviewing of selected residential districts and finally enumeration.

Generally speaking, a number of serious problems, such as *the numerical decline of the family and an unusual professional distribution* seem to be familiar to every Jewish community, also in the United States of America—as we European Jews know from experience in the old world diaspora.

Here are the highlights of the studies in the ten Jewish communities, according to a comprehensive synthesis in a final chapter "Conclusion":

- a) The Jewish population is on the decline. There are relatively fewer children between the ages of 5 and 14 than in the population as a whole. There is a marked trend toward smaller families; the largest are those of semi-skilled workers, the smallest those of professional men.
- b) The foreign-born Jews tend to have larger families than the home-born. Two-thirds of the Jews in the smaller communities are native-born, while even in metropolises such as Chicago and San Francisco less than half are of foreign birth. Proportionately more foreign-born Jews become naturalized than non-Jews.

- c) Jews tend to concentrate in certain sections of cities. Perhaps the most striking common characteristic of the ten communities: most of the gainfully employed Jews are engaged in retail trade. However, the

proportion of Jewish manual workers tends to increase with the greater industrialization of a community.

The Conference on Jewish Relations claims to be "organized to promote, by means of scientific studies and research, a better understanding of the position of the Jews in the modern world." We agree with Miss Robinson's preface that "making its adjustment to post-war society" will, indeed, be the task of the Jews of this country. However, we doubt that mere theoretical publications will be a powerful aid in this, in view of the pressing physical problems which face Jewry today. Jews in European countries have maintained a similar passive attitude which eventually ended in tragic failure, despite much so-called anti-defamation literature, supposedly helping to dissipate prevalent misconceptions and prejudices. We believe, on the other hand, in a rejuvenated, modern Judaism as the sole solution. It has found real form in that active, national movement centering around Palestine as spiritual, cultural, and political home. The goal of Zionism is precisely the normalization of the Jewish people and therefore the elimination of peculiarities within Jewish communities, encountered also in the economic and social structure of American Jewry, as objectively shown in this serious work.

PAUL UCKER

San Francisco

The History of Peace Planning

Plans for Peace Through Six Centuries. By Sylvester John Hemleben.
Chicago: The University of Chicago Press, 1944, pp., \$2.50.

As WORLD WAR II rolls on to inevitable victory for the United Nations, planning for a peace that will avert another such catastrophe as the present one becomes imperative. The peace arrangement will provide an acid test for world statesmanship. Its handling will determine whether we have, after all, learned anything from past experiences and past blunders or whether at this stage the great statesmen prefer the old roads even though they lead to certain new wars.

Most timely is this brilliant and incisive study by Dr. Hemleben. The author, who is head of the Department of History and Social Studies, School of Education, Fordham University, briefly sets forth the peace aspirations and programs of men of foresight from Dante to Wilson, from the Great Design of Henry IV of France to the highly integrated and once promising League of Nations Covenant. The Abbé de Saint-Pierre in the early eighteenth century and Immanuel Kant in the last years of that period proposed a general confederation of European states to insure a perpetual

peace and to outlaw aggression. Programs along the same lines were advocated by Jean Jacques Rousseau and William Penn.

One well may ask why did all these plans that antedated the League Covenant fail. Dr. Hemleben answers that "these projects were disregarded . . . because they were great ideas born into the world before the world was ready to receive them." But they did provide a background for the broad acceptance of Wilson's League and the high hopes in its future.

The early programs were simple and inelastic. Before the Protestant Reformation and the consequent swing to aggressive nationalism they carried the spirit of Christian unity. With the collapse of that oneness, federations of kings and princes were proposed to guard peace, and with the advent of republicanism and democracy the programs called for international councils, or congresses, made up of representatives chosen by popularly elected governments.

But the belief in alliances and the balance-of-power doctrine has been, up to now at least, the dominant one, and despite the centuries-old suspicion of secret diplomacy as expressed by the long and distinguished line of peace planners, the wraith was never laid. So, too, disarmament is merely a word. The author respects the accomplishments of the Hague conferences, which paved the way for the League of Nations, and the positive side of the League itself whose failure was a great tragedy. And the blame here must rest with the great States.

A common criticism of the League of Nations, one recalls, was that essentially the organization represented an alliance of the powerful nations who felt free to tell the lesser countries what to do but did not themselves feel bound by the standards they set down. This viewpoint was unfortunately true in part. When Japan invaded China the Council at Geneva faced a profound challenge. Premier Eamon deValera of Ireland prophetically warned the world leaders that if a great power was allowed to turn aggressor with impunity in the face of decent world opinion there was little hope for the survival of the League. Of course the challenge was not met and the subsequent impotence of the League was a logical development.

Dr. Hemleben suggests that the needed moral basis for the 1919 League of Nations was not fully appreciated; and certainly none can quarrel with the author's insistence that we must accept the idea that States, like individuals, are subject to moral precepts. And these standards must be applied in the actual relations of nations with each other. "The natural law, based on the ordinance of God and made known to us through natural reason, has

obvious effects when applied to interstatal relations," he observes. The testimony of history eloquently supports this contention.

One is tempted, after reading this rich book, to speculate on the fate of the principles of the Atlantic Charter that gave Americans in particular a new hope for world peace. It is safe to predict that if their spirit does not dominate the minds of the makers of the peace the world has in store for it more and more carnage, and lasting peace will become even more remote.

JOHN B. DARBY

New York

A Streamlined American Government

Can Representative Government Do the Job? By Thomas K. Finletter.

With a foreword by Senator Robert F. Wagner. New York: Reynal & Hitchcock, 1945, 179 pp., \$2.

Charles Beard used to say that in its great creative age, the age of the Declaration of Independence, the Constitution, the "Federalist," the "Appeal to Reason," American political science was in the hands of practical men. But after the first hundred years of the Republic, political science fell into the hands of the professors; and since that calamity it has been pedantic, unrealistic, infertile.

"Can Representative Government Do The Job?" is not a big book. Like Rousseau's "Contract Social" and Tom Paine's "Appeal to Reason," you can read it at a sitting. And if you get hold of it you will be sure to read it at a sitting. For it is a great book. In the brief list of creative contributions to American political science Mr. Finletter's book will stand high.

Tremendous problems lie ahead of the United States, problems of foreign policy and problems of reconversion to peace. How can we meet these problems under our traditional scheme of separation of powers, a scheme much degraded by later interpretation from the intent of the Founders of the Constitution, who conceived of government as the harmonious co-operation of executive, legislative and judiciary each on an independent footing? The answer, as Mr. Finletter makes as clear as day, is that we can't possibly meet these problems.

We have the wit to pigeonhole the Separation of Powers in time of war, not indeed without plaintive yelps from individuals who place their prejudices and interests above the nation's interest in victory. Occasionally we have strong presidents, like Theodore Roosevelt, and like Wilson and Franklin Roosevelt in their peacetime phases, who were able to make Con-

gress follow them in strong policies, at least until the patronage had been distributed. Mostly our peacetime administrations have been marked by continuous conflict between President and Congress, sometimes between President and Court.

According to the precedents of American history, the end of the war will bring about another conflict between Congress and the President, whoever he may be. We dream hopefully of the great part America will play in maintaining a sound international organization, in diverting the huge forces of manpower and capital released from war and war jobs to the rehousing of our people, the reconstruction of our transportation system, the harnessing of our great rivers. We dream. According to experience, we are destined for a dreary awakening.

Mr. Finletter would associate with the present Cabinet a legislative Cabinet elected by the two Houses. This joint Cabinet, working with the President, would assume the responsibility for coherent legislative proposals, to be debated and approved or disapproved in the Houses. To assure unity Mr. Finletter would elect at the same time President, Senate and Congress for terms of six years, thus practically assuring control of each branch by one party. If a deadlock still emerged, the President should have the power to dissolve Congress, resigning himself, for an appeal to the people.

Even a brief book like Mr. Finletter's resists the accommodations of a nutshell. But read the book. It is a *must* for every good citizen.

ALVIN JOHNSON

*New School for Social Research,
New York*

The Jewish Problem

Justice for My People. By Ernst Frankenstein. New York: Dial Press, 1944, xl + 208 pp., \$2.50.

The author of this passionate and exact, although short analysis of the Jewish problem, is a German Jew, a former lawyer in Berlin and a specialist in international law (author of a four-volume treatise on Private International Law, 1926 ff.). He left Germany in 1931, after the first signs of undemocratic trends in the Reich Government (ruling by emergency decree), and, after having lived in Paris until 1936 (reoccupation of the Rhineland), he settled in London, again foreseeing events endangering existence on the continent.

All phases of the entire Jewish situation are summed up here by Dr. Frankenstein in a most precise and competent study, consisting of four

compact parts; *The Facts, The Jewish Problem and Its Possible Solutions, The Solution, The Immediate Task.* He characterizes the Jewish problem as a world problem, always present in the last nineteen centuries and flaring up in one country or another.

Here is an example of the clarity of thought and psychological understanding in this book: the first chapter of the first part outlines Jewish history on some 18 pages, not only its economic and social background, but also the important irrational reasons for political anti-semitism in the Greek-speaking sections of the civilized world and after the rise of Christianity in Latin-speaking countries. The author believes the ultimate roots of the problem lie in the Jewish religion, the ethical philosophy of a sound and strong people which loves life and earth. No dogma, but trust in one God (cultural antagonism, monotheism against idolatry); faith alone enabled the dispersed Jews to withstand the various forms of persecution and to maintain their cohesion during 1,800 years of suspicion—caused by an inner life of tradition, hope and dreams and an outer life of cruel realities—and the following century of emancipation with toleration and liberty leading to assimilation which, indirectly and quite logically brought about a new wave of anti-semitism over Europe. "Every other people would have resigned itself to its fate and disappeared from history." But spiritual forces which determined the destiny of our people would not permit its annihilation. However, Jews were and are homeless. This homelessness is the cause of being, everywhere, in a permanent minority. "There is no other alternative; one of the two has to cease to exist, the people or its homelessness. That is the essence of the Jewish problem."

The most forceful argument in support of the Jewish people's legal, political and moral claim to Palestine as a never-relinquished homeland, and at the same time, an answer to the so-called Arab question is found in the main part III, particularly in its chapters about the Arabs. "Seventy-five per cent of the Arab population of Palestine are either immigrants themselves or descendants of persons who immigrated into Palestine during the last hundred years, for the most part after 1882" (when modern Zionism started to create better living conditions in a feudalistic, backward country where, by the way, no Arab rule has existed since 1071 A.D.).

Ernst Frankenstein's "Conclusion," enumerating twenty-four different arguments used throughout his pleading before the tribunal of mankind, ends with this dramatic appeal: "The case of the Jewish people is the test case for humanity. You cannot build a world of justice and freedom if

you deny these to the Jewish people. Justice is indivisible." For the non-Jewish readers, there are reprinted in an annex appendices 1 to 3, The Balfour Declaration, The Mandate of Palestine, and Outline of Tentative Report and Recommendations (President Wilson).

PAUL UCKER

San Francisco

Tocqueville on Democracy

Democracy in America. By Alexis de Tocqueville. New York: Alfred A. Knopf, 2 vols., 835 pp., \$6.

The valued possession of a few for a generation, Alexis de Tocqueville's "Democracy in America" is now more readily available in a reprint of this classic, first published in 1835. Some years ago, on hearing that this work was the chief treatise on popular government after Machiavelli and Rousseau, this reviewer spent two years waiting for a copy on order with his book dealers before obtaining his set, printed in 1889.

Tocqueville's appraisal of the workings of our republic preceded that of Bryce who quoted Tocqueville extensively in his "American Commonwealth." Tocqueville caught more of the philosophy and spirit of liberty of this country and wrote less than Bryce of the technical details of government. On the operation of democracy in the United States, he said, "The humblest individual who co-operates in the government of society acquires a certain degree of self-respect; and as he possesses authority he can command the services of minds more enlightened than his own. He is canvassed by a multitude of applicants, and, in seeking to deceive him in a thousand ways, they really enlighten him." This appears today as a high compliment to the average man. Tocqueville is saying that the more propaganda, the better. We check his observation against the decisions of our children, besieged by frantic radio appeals and entertainment. They experiment, check and choose which breakfast food, for example.

Tocqueville, an aristocrat, was fascinated with the operation of liberty, local government, and individual initiative. He speculated on whether representative central government could continue indefinitely without becoming administrative centralism, tyrannical in nature. Love of wealth, neglect of public business, social pressure making for a low uniformity in thought, resentment against superiorities that cannot easily be matched by industry, racial inequality—these are a few of the tendencies which Tocqueville saw as presaging the destruction of democracy. Resistance could

come only from long habits of self-government and those traits which he enumerates, in the only credible account of our "national character."

Whether Tocqueville's insight was inspired with the spirit of prophecy can be appraised in the light of the following: "There are at the present time two great nations in the world, which started from different points, but seem to tend towards the same end. I allude to the Russians and the Americans. . . . All other nations seem to have nearly reached their natural limits, and they have only to maintain their powers; but these are still in the act of growth. . . . The American struggles against the obstacles that nature opposes to him; the adversaries of the Russians are man. . . . The conquests of the Americans are therefore gained by the plowshare; those of the Russians by the sword. . . . The Anglo-American relies upon personal interest to accomplish his ends and gives free scope to the unguided strength and common sense of the peoples; the principal instrument of the former is freedom; of the latter servitude. Their starting-point is different and their courses are not the same; yet each of them seems marked out by the will of Heaven to sway the destinies of half the globe."

"Democracy in America" is exciting reading today.

LANCASTER M. GREENE

New York

Apostles of the Newness. By Oscar Sherwin. Atlanta, Ga.: *Pbylon*, Vol. VI, No. 1 (First Quarter, 1945), pp. 53-63.

As the anti-slavery movement grew, it attracted to itself all sorts of cranks and crackpots. With gentle humor, Dr. Sherwin sketches the "remarkable agitation of mind that went on in Massachusetts a century ago." He concludes: "Yet despite cranks and freaks, comic relief, the core of action remained: moral criteria, moral warfare against slime of greed, oppression, cruelty, injustice."

Review of Social Economy. Vol. 1, No. 1 and Vol. 2, No. 2. Papers and Proceedings of the First and Second Annual Meetings of the Catholic Economic Association. Milwaukee: Marquette University Press, 1944.

Catholic economists have much to contribute to social science and social action, believing, as most if not all of them do, with their distinguished honorary president, Msgr. John A. Ryan, dean of socio-ethical economists, that "while economics should be treated primarily as a positive science, it is in large part also a normative science, and its main usefulness is as a

means of promoting the common good and social justice." The establishment of this review is a welcome move and it is to be hoped that the association will grow and flourish, permitting the new journal to appear periodically. In the present volume, besides Msgr. Ryan, the work appears of Thomas F. Divine, Bernard W. Dempsey, John L. Shea, Ferdinand A. Hermens, Walter Froehlich, Edmund B. O'Leary, Alice E. Bourneuf, Raymond J. Saulnier, M. Joseph Meehan, Robert L. Shannon, Eva J. Ross and Paul Yu-Pin.

Contributors

MARY E. MURPHY, PH.D. (London), C.P.A., assistant professor of economics, Hunter College, New York, is the author of a number of articles and two books in the field of British economics.

HARRY GUNNISON, PH.D., L.H.D., professor of economics, University of Missouri, Columbia, Mo. Author, "Basic Principles of Economics," "Economic Science and the Common Welfare," "The Taxation of Unearned Incomes," "The Economics of Taxation," "Principles of Commerce," "International Trade and Exchange," "The Economic Basis of Tax Reform," etc. Contributor, professional journals, etc.

FRANK T. CARLTON, M.E. (Case, '99), A.M. (Wisconsin, '05), PH.D. ('06), LL.D. (Albion Coll. '32), professor of economics, Case School of Applied Science. Formerly professor of economics, De Pauw U., and of economics and sociology, Albion College. Author, "History and Problems of Organized Labor," "Economics," "Labor Problems," etc. Contributor to professional journals.

ALVIN JOHNSON, PH.D., is director of the New School for Social Research, New York, chairman of the Graduate Faculty and of the École Libre des Hautes Études in the New School and president of the Institute of World Affairs.

HORACE S. FRIES, PH.D., is assistant professor of philosophy, University of Wisconsin, and a contributor to professional and other journals.

CORDELL HULL is the former United States Secretary of State.

WILL LISSNER, member of the news staff of a New York newspaper, writer and editor, is executive editor of *THE JOURNAL*.

T. SWANN HARDING, B.S. Chem. (Maryland), senior information specialist, United States Department of Agriculture. Formerly, research chemist, U.S.D.A., 1910, and later editor of the department's technical publications. Author, "The Popular Practice of Fraud," etc.

LAWSON PURDY, LL.D., is president of the Robert Schalkenbach Foundation and a charter member of *THE JOURNAL* board. He was formerly president of the Board of Taxes and Assessments in New York City.

FRANCIS NEILSON, LITT.D., is the last of the English Constitutional Radicals; former member, the British Parliament; author, "The Old Freedom," "The Eleventh Commandment," "Control from the Top," "Man at the Crossroads," "Sociocratic Escapades," "How Diplomats Make War," "The Tragedy of Europe," etc. Founder and editor, the old *Freeman*, etc.

HAROLD B. GOTAAK is director of the Division of Health and Sanitation of the U. S. Office of Inter-American Affairs, and executive vice president of the Institute of Inter-American Affairs.

LEO JUNG, PH.D. (London), professor of ethics Yeshiva College; Rabbi of The Jewish Center; chairman of the Cultural Committee of the American Jewish Joint Distribution Committee, and former president of the Rabbinical Council. Author of "Fallen Angels in Jewish, Christian, and Mohammedan Literature," "Mistranslation as Source of Folk Lore," "Living Judaism," "Crumbs and Character." Editor of "The Jewish Library," and of "Judaism in a Changing World." Translator of the Soncino edition of the Talmud (tractates Yoma and Arakhin).

ANNA GEORGE DE MILLE, president of the Board of Trustees, Henry George School of Social Science, New York, and director of the Robert Schalkenbach Foundation, New York, is the sole surviving child of Henry George. Editor, "Progress and Poverty, Abridged."

HAROLD S. BUTTENHEIM, editor of *The American City*, New York, is President of the Citizens Housing Council of New York.

ROY A. FOULKE, M.A., is vice president of Dun and Bradstreet, Inc., and author of "The Sinews of American Commerce" and of a series of studies in business statistics.

PRESTON KING SHELDON, New York newspaperman, is a contributor on interdenominational religious activities to the American Year Book and other reference works and to co-operative movement publications.

PAUL UCKER, DR. OECONOMIAE PUBLICAE (Zurich); bank economist, San Francisco. Formerly editor, *The Swiss Journal*, San Francisco; special correspondent in the United States, *Volksrecht*, Zurich; research economist for Swiss business organizations; contributor, Swiss newspapers and German economic periodicals. Contributor, *American Economic Review*, etc.

LANCASTER M. GREENE, investment counsel and member of the firm of Lancaster and Norvin Greene, investment bankers, in New York, is a member of the boards of the Robert Schalkenbach Foundation and the Henry George School of Social Science. He is president of the Savings Bank Life Insurance League.

JOHN B. DARBY is a New York newspaperman at present carrying on graduate studies in philosophy.

ARTICLES by officials or employes of any governmental department or agency are expressions of the personal opinions of the authors and have no official character.

THE INDEX to the fourth volume of this JOURNAL will be distributed with the next number.

THE TRAGEDY OF EUROPE

Four volumes NOW AVAILABLE

A Diary of World War II
by **FRANCIS NEILSON**

DR. CHARLES C. TANSILL:

"... There is not one dull page in it, and verity is written in every line."

DR. LIN YUTANG:

"... I have found it the most complete and useful review of the war ever to be published."

PRESIDENT ROBERT M. HUTCHINS:

"It is a work in which one may see all the experience and historical scholarship of a long, active and studious life."

DR. ARTHUR H. COMPTON:

"... The wide breadth of knowledge which you have of the background materials, together with the careful and critical attention that you have been paying to the military developments, make this a truly invaluable document."

THOUGHT:

"... Mr. Neilson combines in one the historian, dramatist and prophet."

DR. ALEXANDER J. WALL:

Director of the New York Historical Society

"... We appreciate the comprehensive arrangement of the data recorded contemporaneously in THE TRAGEDY OF EUROPE. It should prove a valuable record for the future."

4 vols.—2800 pp.—Chronology—Bibliography—Index

\$10.00 PER SET

C. C. NELSON PUBLISHING COMPANY
APPLETON, WISCONSIN

The AMERICAN JOURNAL of ECONOMICS and SOCIOLOGY

Published QUARTERLY under grant from the Robert Schalkenbach Foundation in the interest of constructive synthesis in the social sciences.

IN FUTURE ISSUES (Titles Are Subject to Revision)

Prepaid Group Medical Care
By T. SWANN HARDING
U. S. Department of Agriculture

The Geopolitics of Danubia
By JOSEPH S. ROUCEK
Hofstra College

A Bibliography of Franz Oppenheimer
By FELICIA FUSS
New York

Man's Relation to the Land
A GROUP STATEMENT

Training Quadrupeds and Educating Bipeds
By FRANCIS NEILSON
Chicago

Objectives and Methods in Teaching Economic 'Principles'
By HARRY GUNNISON BROWN
University of Missouri

Reflections on Democracy
By S. VERE PEARSON
London

Natural Law and Human Rights in Agriculture
By WILL LISSNER
New York

Crime and Punishment in 18th Century England
By OSCAR SHERWIN
College of the City of New York

The Gospel of Freedom
By FRANZ OPPENHEIMER
Hollywood, Calif.

Subscription (U.S.), \$3 a Year.

50 East Sixty-ninth Street
New York 21, N. Y.

Single Copies, \$1

